



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2011  
OF THE CONDITION AND AFFAIRS OF THE

BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

NAIC Group Code	2798	2798	NAIC Company Code	61557	Employer's ID Number	94-6077403
	(Current Period)	(Prior Period)				
Organized under the Laws of	California		State of Domicile or Port of Entry	California		
Country of Domicile	United States					
Incorporated/Organized	05/18/1953		Commenced Business	07/01/1954		
Statutory Home Office	50 Beale Street		San Francisco, CA 94105-0000			
	(Street and Number)		(City or Town, State and Zip Code)			
Main Administrative Office	50 Beale Street		San Francisco, CA 94105-0000		888-800-2742	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	P. O. Box 7725		San Francisco, CA 94120-7725			
	(Street and Number or P.O. Box)		(City or Town, State and Zip Code)			
Primary Location of Books and Records	50 Beale Street		San Francisco, CA 94105-0000		415-229-5035	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Internet Web Site Address	www.bsca-life.com ; www.blueshieldca.com/bsc/life					
Statutory Statement Contact	Annie Wong		415-229-5035			
	(Name)		(Area Code) (Telephone Number) (Extension)			
	annie.wong@blueshieldca.com		415-229-5730			
	(E-mail Address)		(FAX Number)			

OFFICERS

Name	Title	Name	Title
Duncan Ross	President and CEO	Seth Alan Jacobs, Esq.	Secretary
David Joyner	Vice President		

OTHER OFFICERS

Christopher Gorecki	Controller	Emily R. Glidden	Treasurer
Timothy Gustafson	Actuary	Andrea DeBerry	Assistant Secretary

DIRECTORS OR TRUSTEES

Bruce G. Bodaken	Douglas Busch	Vanessa C. L. Chang	Evelyn Dilsaver
Hector Flores, M.D.	Alan Fohrer	William Hauck	Sandra Hernandez, M.D.
Robert Lee			

State of .....California.....

County of .....San Francisco.....

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The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Duncan Ross - President and CEO	Seth Alan Jacobs, Esq. - Secretary	Christopher Gorecki - Controller
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a. Is this an original filing? Yes [ X ] No [ ]

b. If no:

1. State the amendment number

2. Date filed

3. Number of pages attached

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_,

Anne-Marie Hodgkinson, Commission 1791321  
March 14, 2012

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

ASSETS

	Current Statement Date			4
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1. Bonds .....	562,019,775		562,019,775	531,249,729
2. Stocks:				
2.1 Preferred stocks .....			.0	.0
2.2 Common stocks .....			.0	.0
3. Mortgage loans on real estate:				
3.1 First liens .....			.0	.0
3.2 Other than first liens .....			.0	.0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			.0	.0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			.0	.0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			.0	.0
5. Cash (\$ .....29,642,826 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....53,603,944 ) .....	83,246,770		83,246,770	27,434,677
6. Contract loans (including \$ .....premium notes) .....	20,193		20,193	20,193
7. Derivatives .....			.0	.0
8. Other invested assets .....	.0		.0	.0
9. Receivables for securities .....	19,278,493		19,278,493	2,072,465
10. Securities lending reinvested collateral assets .....			.0	.0
11. Aggregate write-ins for invested assets .....	.0	.0	.0	2
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	664,565,231	.0	664,565,231	560,777,066
13. Title plants less \$ .....charged off (for Title insurers only).....			.0	.0
14. Investment income due and accrued .....	3,267,235		3,267,235	4,170,470
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	13,623,391	283,874	13,339,517	8,449,267
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....earned but unbilled premiums).....	4,682		4,682	4,682
15.3 Accrued retrospective premiums.....			.0	.0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	4,348,436	4,316,472	31,964	185,991
16.2 Funds held by or deposited with reinsured companies .....			.0	.0
16.3 Other amounts receivable under reinsurance contracts .....	406,411	406,411	.0	.0
17. Amounts receivable relating to uninsured plans .....			.0	.0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	1,813,364		1,813,364	.0
18.2 Net deferred tax asset.....	25,277,004	21,222,477	4,054,527	5,165,773
19. Guaranty funds receivable or on deposit .....			.0	.0
20. Electronic data processing equipment and software.....			.0	.0
21. Furniture and equipment, including health care delivery assets (\$ .....)			.0	.0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			.0	.0
23. Receivables from parent, subsidiaries and affiliates .....	10,127,071		10,127,071	.0
24. Health care (\$ .....) and other amounts receivable.....			.0	.0
25. Aggregate write-ins for other than invested assets .....	105,091	105,091	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	723,537,915	26,334,324	697,203,591	578,753,249
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	.0
28. Total (Lines 26 and 27)	723,537,915	26,334,324	697,203,591	578,753,249
<b>DETAILS OF WRITE-INS</b>				
1101. Rounding.....			.0	2
1102. ....			.0	.0
1103. ....			.0	.0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	2
2501. Prepaid Premium Taxes.....	105,091	105,091	.0	.0
2502. ....			.0	.0
2503. ....			.0	.0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.0	.0	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	105,091	105,091	0	0

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$ .....2,996,884 less \$ .....0 included in Line 6.3 (including \$ .....0 Modco Reserve) .....	2,996,884	3,054,483
2. Aggregate reserve for accident and health contracts (including \$ .....0 Modco Reserve) .....	63,237,828	64,176,762
3. Liability for deposit-type contracts (including \$ ..... Modco Reserve) .....	7,486	11,763
4. Contract claims:		
4.1 Life .....	2,587,971	2,388,236
4.2 Accident and health .....	157,111,748	150,821,057
5. Policyholders' dividends \$ ..... and coupons \$ ..... due and unpaid .....		0
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment (including \$ ..... Modco).....		0
6.2 Dividends not yet apportioned (including \$ ..... Modco).....		0
6.3 Coupons and similar benefits (including \$ ..... Modco).....		0
7. Amount provisionally held for deferred dividend policies not included in Line 6 .....		0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ ..... discount; including \$ ..... accident and health premiums .....	65,973,232	50,088,492
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....		0
9.2 Provision for experience rating refunds, including \$ .....0 accident and health experience rating refunds .....	9,833,597	0
9.3 Other amounts payable on reinsurance, including \$ ..... assumed and \$ ..... ceded.....	0	0
9.4 Interest Maintenance Reserve .....	14,573,398	8,998,906
10. Commissions to agents due or accrued-life and annuity contracts \$ .....27,699 , accident and health \$ .....1,960,410 and deposit-type contract funds \$ .....0 .....	1,988,109	1,552,066
11. Commissions and expense allowances payable on reinsurance assumed .....		0
12. General expenses due or accrued .....	2,307,988	1,930,145
13. Transfers to Separate Accounts due or accrued (net) (including \$ ..... accrued for expense allowances recognized in reserves, net of reinsured allowances) .....		0
14. Taxes, licenses and fees due or accrued, excluding federal income taxes .....	184,742	2,889,766
15.1 Current federal and foreign income taxes, including \$ ..... on realized capital gains (losses).....		2,417,026
15.2 Net deferred tax liability .....		0
16. Unearned investment income .....		0
17. Amounts withheld or retained by company as agent or trustee .....		0
18. Amounts held for agents' account, including \$ ..... agents' credit balances .....		0
19. Remittances and items not allocated .....		0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....		0
21. Liability for benefits for employees and agents if not included above .....		0
22. Borrowed money \$ ..... and interest thereon \$ ..... .....		0
23. Dividends to stockholders declared and unpaid .....		0
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve .....	1,194,619	873,917
24.02 Reinsurance in unauthorized companies .....		0
24.03 Funds held under reinsurance treaties with unauthorized reinsurers .....		0
24.04 Payable to parent, subsidiaries and affiliates .....		14,015,923
24.05 Drafts outstanding .....		0
24.06 Liability for amounts held under uninsured plans .....		0
24.07 Funds held under coinsurance .....		0
24.08 Derivatives .....		0
24.09 Payable for securities .....	29,009,374	0
24.10 Payable for securities lending.....		0
24.11 Capital notes \$ ..... and interest thereon \$ ..... .....		0
25. Aggregate write-ins for liabilities .....	83,058,902	44,564
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25) .....	434,065,878	303,263,106
27. From Separate Accounts statement .....		0
28. Total liabilities (Lines 26 and 27) .....	434,065,878	303,263,106
29. Common capital stock .....	2,500,000	2,500,000
30. Preferred capital stock .....		0
31. Aggregate write-ins for other than special surplus funds .....	0	0
32. Surplus notes .....		0
33. Gross paid in and contributed surplus .....	310,192,369	310,353,008
34. Aggregate write-ins for special surplus funds .....	0	0
35. Unassigned funds (surplus) .....	(49,554,657)	(37,362,866)
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 29 \$ ..... ) .....		0
36.2 ..... shares preferred (value included in Line 30 \$ ..... ) .....		0
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$ ..... in Separate Accounts Statement) .....	260,637,712	272,990,142
38. Totals of Lines 29, 30 and 37 .....	263,137,712	275,490,142
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3) .....	697,203,591	578,753,249
<b>DETAILS OF WRITE-INS</b>		
2501. Escheat Claims Liability.....	58,902	44,567
2502. Rounding.....		(3)
2503. Reserve for Premium Credits.....	83,000,000	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	83,058,902	44,564
3101. ....		0
3102. ....		0
3103. ....		0
3198. Summary of remaining write-ins for Line 31 from overflow page .....	0	0
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above) .....	0	0
3401. ....		0
3402. ....		0
3403. ....		0
3498. Summary of remaining write-ins for Line 34 from overflow page .....	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above) .....	0	0

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

SUMMARY OF OPERATIONS

	1 Current Year To Date	2 Prior Year Year to Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts .....	999,734,042	1,008,376,558	1,347,989,636
2. Considerations for supplementary contracts with life contingencies .....	0	0	0
3. Net investment income .....	14,815,937	14,253,760	18,858,914
4. Amortization of Interest Maintenance Reserve (IMR) .....	1,980,404	917,815	1,353,095
5. Separate Accounts net gain from operations excluding unrealized gains or losses .....	0	0	0
6. Commissions and expense allowances on reinsurance ceded .....	1,476	423,219	385,590
7. Reserve adjustments on reinsurance ceded .....	0	0	0
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts .....	0	0	0
8.2 Charges and fees for deposit-type contracts .....	0	0	0
8.3 Aggregate write-ins for miscellaneous income .....	0	0	0
9. Totals (Lines 1 to 8.3) .....	1,016,531,858	1,023,971,352	1,368,587,235
10. Death benefits .....	2,507,546	2,543,936	2,924,832
11. Matured endowments (excluding guaranteed annual pure endowments) .....	0	0	0
12. Annuity benefits .....	0	0	0
13. Disability benefits and benefits under accident and health contracts .....	766,413,769	772,782,935	1,027,536,601
14. Coupons, guaranteed annual pure endowments and similar benefits .....	0	0	0
15. Surrender benefits and withdrawals for life contracts .....	8,728	18,198	24,635
16. Group conversions .....	0	0	0
17. Interest and adjustments on contract or deposit-type contract funds .....	0	0	0
18. Payments on supplementary contracts with life contingencies .....	0	0	0
19. Increase in aggregate reserves for life and accident and health contracts .....	(996,532)	(1,211,697)	5,389,586
20. Totals (Lines 10 to 19) .....	767,933,512	774,133,372	1,035,875,655
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) .....	78,199,107	73,064,049	99,042,233
22. Commissions and expense allowances on reinsurance assumed .....	0	0	0
23. General insurance expenses .....	159,775,434	141,337,048	187,031,830
24. Insurance taxes, licenses and fees, excluding federal income taxes .....	23,438,158	24,189,255	32,440,451
25. Increase in loading on deferred and uncollected premiums .....	0	0	1,801
26. Net transfers to or (from) Separate Accounts net of reinsurance .....	0	0	0
27. Aggregate write-ins for deductions .....	0	0	0
28. Totals (Lines 20 to 27) .....	1,029,346,210	1,012,723,724	1,354,391,970
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) .....	(12,814,352)	11,247,628	14,195,265
30. Dividends to policyholders .....	0	0	0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) .....	(12,814,352)	11,247,628	14,195,265
32. Federal and foreign income taxes incurred (excluding tax on capital gains) .....	(4,259,713)	4,051,111	7,426,965
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32) .....	(8,554,639)	7,196,517	6,768,300
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ ..... (excluding taxes of \$ ..... transferred to the IMR) .....	72,350	0	(60,688)
35. Net income (Line 33 plus Line 34) .....	(8,482,289)	7,196,517	6,707,612
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
36. Capital and surplus, December 31, prior year .....	275,490,142	247,856,807	247,856,807
37. Net income (Line 35) .....	(8,482,289)	7,196,517	6,707,612
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ ..... ..	0	0	0
39. Change in net unrealized foreign exchange capital gain (loss) .....	0	0	0
40. Change in net deferred income tax .....	891,283	435,677	18,692,892
41. Change in nonadmitted assets .....	(4,280,083)	(14,276,355)	(19,031,629)
42. Change in liability for reinsurance in unauthorized companies .....	0	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease .....	0	0	0
44. Change in asset valuation reserve .....	(320,702)	(339,723)	(538,742)
45. Change in treasury stock .....	0	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period .....	0	0	0
47. Other changes in surplus in Separate Accounts Statement .....	0	0	0
48. Change in surplus notes .....	0	0	0
49. Cumulative effect of changes in accounting principles .....	0	0	0
50. Capital changes:			
50.1 Paid in .....	0	0	0
50.2 Transferred from surplus (Stock Dividend) .....	0	0	0
50.3 Transferred to surplus .....	0	0	0
51. Surplus adjustment:			
51.1 Paid in .....	(160,639)	0	75,122,575
51.2 Transferred to capital (Stock Dividend) .....	0	0	0
51.3 Transferred from capital .....	0	0	0
51.4 Change in surplus as a result of reinsurance .....	0	0	0
52. Dividends to stockholders .....	0	0	0
53. Aggregate write-ins for gains and losses in surplus .....	0	(29,588,148)	(53,319,374)
54. Net change in capital and surplus (Lines 37 through 53) .....	(12,352,430)	(36,572,032)	27,633,334
55. Capital and surplus, as of statement date (Lines 36 + 54) .....	263,137,712	211,284,775	275,490,142
<b>DETAILS OF WRITE-INS</b>			
08.301. ....	0	0	0
08.302. ....	0	0	0
08.303. ....	0	0	0
08.398. Summary of remaining write-ins for Line 8.3 from overflow page .....	0	0	0
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above) .....	0	0	0
2701. ....	0	0	0
2702. ....	0	0	0
2703. ....	0	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page .....	0	0	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above) .....	0	0	0
5301. Other losses in surplus .....	0	0	1,007,587
5302. Unassigned Surplus - Active Life Reserve .....	0	(45,520,228)	(54,326,961)
5303. FIT on Active Life Reserve .....	0	15,932,080	0
5398. Summary of remaining write-ins for Line 53 from overflow page .....	0	0	0
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above) .....	0	(29,588,148)	(53,319,374)

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	1,103,530,071	1,009,991,207	1,340,143,104
2. Net investment income .....	17,445,265	15,927,016	20,752,366
3. Miscellaneous income .....	1,476	423,219	385,590
4. Total (Lines 1 to 3) .....	1,120,976,811	1,026,341,443	1,361,281,060
5. Benefit and loss related payments .....	764,426,002	766,384,035	1,068,279,614
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	263,430,636	248,242,392	327,287,363
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	4,038,691	0	(1,029,000)
10. Total (Lines 5 through 9) .....	1,031,895,330	1,014,626,427	1,394,537,977
11. Net cash from operations (Line 4 minus Line 10) .....	89,081,482	11,715,016	(33,256,917)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	889,798,221	590,559,452	771,961,510
12.2 Stocks .....	0	0	0
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	1,377,461	(365)	908
12.7 Miscellaneous proceeds .....	11,803,346	14,515,320	8,507,139
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	902,979,028	605,074,407	780,469,557
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	911,849,753	654,917,585	883,684,386
13.2 Stocks .....	0	0	0
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	911,849,753	654,917,585	883,684,386
14. Net increase (or decrease) in contract loans and premium notes .....	0	6,331	481
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(8,870,725)	(49,849,509)	(103,215,310)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	(160,639)	0	75,122,575
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	(4,278)	(4,151)	(5,556)
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied).....	(24,233,747)	(22,357,852)	8,417,499
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(24,398,663)	(22,362,003)	83,534,517
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	55,812,093	(60,496,496)	(52,937,709)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	27,434,677	80,372,386	80,372,386
19.2 End of period (Line 18 plus Line 19.1) .....	83,246,770	19,875,890	27,434,677

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS			
	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1. Industrial life .....		0	0
2. Ordinary life insurance .....	968,812	1,013,424	1,331,828
3. Ordinary individual annuities .....		0	0
4. Credit life (group and individual) .....		0	0
5. Group life insurance .....	5,161,433	5,911,548	7,721,678
6. Group annuities .....		0	0
7. A & H - group .....	565,354,654	617,496,896	807,568,944
8. A & H - credit (group and individual) .....		0	0
9. A & H - other .....	431,873,601	387,953,843	536,170,095
10. Aggregate of all other lines of business .....	0	0	0
11. Subtotal .....	1,003,358,500	1,012,375,711	1,352,792,545
12. Deposit-type contracts .....		0	0
13. Total	1,003,358,500	1,012,375,711	1,352,792,545
DETAILS OF WRITE-INS			
1001. ....		0	
1002. ....		0	
1003. ....		0	
1098. Summary of remaining write-ins for Line 10 from overflow page .....	0	0	0
1099. Totals (Lines 1001 through 1003 plus 1098) (Line 10 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

A. Accounting Practices:

The financial statements of the Blue Shield of California Life & Health Insurance Company (“Company” or “the Company”) are presented on the basis of accounting practices prescribed or permitted by the California Department of Insurance (“Department”).

The California Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of California for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the California Insurance Law. The National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual* (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the State of California. The Commissioner of Insurance has the right to permit specific practices that deviate from prescribed practices.

There are no prescribed practices applicable to the Company, and the Company has not requested any permitted practices.

	2011	2010
	(\$ In thousands)	(\$ In thousands)
(1) Net Income – CA State Basis	\$ (8,482)	\$ 6,708
(2) Net Income – NAIC SAP	(8,482)	6,708
(3) Statutory Surplus – CA State Basis	257,261	275,490
(4) Statutory Surplus – NAIC SAP	257,261	275,490

B. Use of Estimates in the Preparation of the Financial Statements:

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual amounts could differ from those estimates.

C. Accounting Policy:

Life premiums are recognized as income over the premium paying period of the related policies. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- (3) The Company does not invest in common stocks.
- (4) The Company does not invest in preferred stocks.
- (5) The Company does not invest in mortgage loans to any borrower.
- (6) Loan-backed securities are stated at the lower of amortized cost or fair value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative, in which case such securities are valued using the prospective method.
- (7) The Company has no investments in subsidiaries, controlled and affiliated companies.

NOTES TO FINANCIAL STATEMENTS

- (8) The Company has no investments in joint ventures, partnerships and limited liability companies.
- (9) The Company does not invest in derivative instruments.
- (10) The Company does not anticipate investment income as a factor in the premium deficiency calculation for Individual and Group Accident and Health Contracts.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company has no pharmaceutical rebate receivables as of the filing date of this statement.

2. Accounting Changes and Correction of Errors:

Not applicable.

3. Business Combinations and Goodwill:

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

Not applicable.

C. Assumption Reinsurance

Not applicable.

D. Impairment Loss

Not applicable.

4. Discontinued Operations:

- (1) Effective June 30, 2007, the Company discontinued sales of short-term health insurance.
- (2) Premiums were completely earned in 2008; claims are expected to complete runoff in 2011.
- (3) Results are included in the Company's Statement of Operations.
- (4) As of December 31, 2008, all premiums for short-term health insurance have been earned so the Company no longer carries a Premium Deficiency Reserve. Loss reserves continue to be carried and are expected to be sufficient to complete the claims runoff.
- (5) The amount related to Discontinued Operations and the effect on the Company's Balance Sheet and Summary of Operations is as follows:

Balance sheet September 30, 2011 (\$ In thousands)

Assets

a.	Line 5	Cash	N/A
b.	Line 26	Totals	N/A



## NOTES TO FINANCIAL STATEMENTS

### Liabilities, Surplus and Other Funds

c.	Line 28	Total Liabilities	(\$905)
d.	Line 37	Surplus	N/A
e.	Line 39	Total	N/A

### Summary of Operations September 30, 2011

f.	Line 1	Premiums	N/A
g.	Line 19	Incr. agg. reserves	N/A
h.	Line 32	Income tax	N/A
i.	Line 34	Net capital gains	N/A
j.	Line 35	Net Income	N/A

### 5. Investments:

Investments are carried in accordance with the investment guidelines prescribed by the NAIC Securities Valuation Office. Bonds are stated at cost adjusted for amortization of premium or accretion of discount. The retrospective adjustment method is used to value loan-backed bonds and structured securities.

#### A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company did not have investments in mortgage loans at September 30, 2011.

#### B. Debt Restructuring

The Company did not have invested assets that were restructured debt at September 30, 2011.

#### C. Reverse Mortgages

The Company did not have investments in reverse mortgages at September 30, 2011.

#### D. Loan-Backed Securities

(1) Prepayment assumptions for single class and multi-class mortgage-backed bonds and structured securities were obtained from broker dealer survey values or internal estimates. These assumptions are consistent with the current interest rate and economic environment.

(2) Loan-backed securities with a recognized other-than-temporary impairment, in the aggregate, classified on the basis for the other-than-temporary impairment.

The Company did not recognize other-than-temporary impairments at September 30, 2011.

(3) The carrying value of loan-backed securities with a recognized other-than-temporary impairments have been recognized based on the present value of cash flows expected to be collected, is less than the amortized cost basis of the securities:

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

- (4) All impaired securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss are as follows:

	Aggregated Amount of Unrealized Losses	Aggregate Fair Value of these Securities
Debt securities that have been in a continuous unrealized loss position for less than 12 months	\$43,359	\$12,125,388
Debt securities that have been in a continuous unrealized loss position for 12 months or longer	\$82,931	\$1,777,812

- (5) The Company does not intend to sell the other investments in mortgage and asset-backed securities and it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost bases. In reviewing these securities, the Company considered a variety of factors such as scheduled interest and principal payments, payment guarantees, type of underlying collateral, ratings and changes in ratings by rating agencies, discounted cash flows, the underlying collateral, prepayment speeds, vintage, default rates, severity and duration of the impairment, recoveries and changes in value, and determined the unrealized losses are attributable to changes in interest rates and not credit quality, and does not consider such investments to be other-than-temporarily impaired at September 30, 2011.

### E. Repurchase Agreements and/or Securities Lending Transactions

- (1) The Company did not enter into repurchase agreements and/or securities lending transactions at September 30, 2011.

### F. Real Estate

- (1) The Company did not have investments in real estate at September 30, 2011.

### G. Investments in Low-Income Housing Tax Credits ("LIHTC")

- (1) The Company did not invest in properties generating LIHTC at September 30, 2011.

## 6. Joint Ventures, Partnerships and Limited Liability Companies:

- A. The Company has no investments in joint ventures, partnerships or limited liability companies at September 30, 2011.

- B. Not applicable.

## 7. Investment Income:

- A. No investment income due and accrued was excluded during the statement period.

- B. Not applicable.

## 8. Derivative Instruments:

The Company has no derivative instruments at September 30, 2011.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes (\$000 omitted):

A. The components of the net deferred tax asset are as follows:

1.

	Ordinary	2011 Capital	Total
Gross deferred tax assets	26,241	497	26,738
Statutory valuation allowance	0	0	0
Adjusted gross deferred tax assets	26,241	497	26,738
Gross deferred tax liabilities	(1,461)	0	(1,461)
Net deferred tax asset/(liability) before admissibility test	24,780	497	25,277
Admitted pursuant to Paragraph 10.a.	0	0	0
Admitted pursuant to Paragraph 10.b.i.	4,055	0	4,055
Admitted pursuant to Paragraph 10.b.ii	28,373	0	28,373
Admitted pursuant to Paragraph 10.b.(lesser of i and ii)	4,055	0	4,055
Admitted pursuant to Paragraph 10.c.	1,461	0	1,461
Admitted deferred tax asset	5,515	0	5,515
Deferred tax liability	(1,461)	0	(1,461)
Net admitted deferred tax asset	4,055	0	4,055
Nonadmitted deferred tax asset	20,725	497	21,222

	Ordinary	2010 Capital	Total
Gross deferred tax assets	25,349	497	25,846
Statutory valuation allowance	0	0	0
Adjusted gross deferred tax assets	25,349	497	25,846
Gross deferred tax liabilities	(1,461)	0	(1,461)
Net deferred tax asset/(liability) before admissibility test	23,889	497	24,386
Admitted pursuant to Paragraph 10.b.i.	5,166	0	5,166
Admitted pursuant to Paragraph 10.b.ii	21,827	0	21,827
Admitted pursuant to Paragraph 10.b.(lesser of i and ii)	5,166	0	5,166
Admitted pursuant to Paragraph 10.c.	1,461	0	1,461
Admitted deferred tax asset	6,626	0	6,626
Deferred tax liability	(1,461)	0	(1,461)
Net admitted deferred tax asset	5,166	0	5,166
Nonadmitted deferred tax asset	18,723	497	19,220

	Ordinary	Change During 2011 Capital	Total
Gross deferred tax assets	891	0	891
Statutory valuation allowance	0	0	0
Adjusted gross deferred tax assets	891	0	891
Gross deferred tax liabilities	0	0	0
Net deferred tax asset/(liability) before admissibility test	891	0	891
Admitted pursuant to Paragraph 10.a.	0	0	0
Admitted pursuant to Paragraph 10.b.i.	(1,111)	0	(1,111)
Admitted pursuant to Paragraph 10.b.ii	6,546	0	6,546
Admitted pursuant to Paragraph 10.b.(lesser of i and ii)	(1,111)	0	(1,111)
Admitted pursuant to Paragraph 10.c.	0	0	0
Admitted deferred tax asset	(1,111)	0	(1,111)
Deferred tax liability	0	0	0
Net admitted deferred tax asset	(1,111)	0	(1,111)
Nonadmitted deferred tax asset	2,003	0	2,003

2. The Company has not elected to admit deferred tax assets pursuant to paragraph 10.e. of SSAP 10R.

NOTES TO FINANCIAL STATEMENTS

3. The Company does not utilize any tax planning strategies that impact gross and net deferred tax assets.

B. The Company has no unrecognized deferred tax liabilities at September 30, 2011 and 2010.

C. Current tax and change in deferred tax

Current income taxes incurred consist of the following major components:

	2011	2010
Current Income Tax Expense (Benefit)	(4,260)	6,419
Prior Year Under (Over) Accrual/ Other Tax Adjustments	0	1,008
Federal Income Tax on Operations, Page 4, Line 32, Col. 1	(4,260)	7,427
Tax on Realized Capital Gain	4,068	3,907
Current Income Taxes Incurred (Benefit)	(192)	11,334

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

Deferred Assets - Ordinary	2011	2010	Change
Active Life Reserve	21,265	21,419	(154)
Unearned premium reserves	2,720	1,717	1,003
Unpaid losses	1,275	1,232	43
Other adjustments	981	981	0
Gross Deferred Tax Assets - Ordinary	26,241	25,349	891
Nonadmitted Deferred Tax Assets - Ordinary	(20,725)	(18,723)	(2,002)
Admitted Deferred Tax Assets - Ordinary	5,516	6,626	(1,111)
Deferred Liabilities - Ordinary	2011	2010	Change
Other adjustments	(1,461)	(1,461)	0
Gross Deferred Tax Liabilities - Ordinary	(1,461)	(1,461)	0
Deferred Assets - Capital	2011	2010	Change
Investments in securities	0	0	0
Other adjustments	497	497	0
Gross Deferred Tax Assets - Capital	497	497	0
Nonadmitted Deferred Tax Assets - Capital	(497)	(497)	0
Admitted Deferred Tax Assets - Capital	0	0	0
Net Admitted Deferred Tax Asset	4,055	5,166	(1,111)

NOTES TO FINANCIAL STATEMENTS

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the change in non-admitted assets is reported separately from the change in net deferred income taxes in the surplus section in the annual statement):

	2011	2010	Change
Total deferred tax assets	26,738	25,846	891
Total deferred tax liabilities	(1,461)	(1,461)	0
Net deferred tax asset	25,277	24,386	891

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	Amount	2011 Tax Effectuated	Rate	2010 Tax Effectuated	Rate
Income before taxes	(12,742)	(4,459)	35.0%	4,968	35.0%
IMR	(1,980)	(692)	5.4%	(474)	-3.4%
Other, including prior year true-up	0	0	0.0%	(20)	-0.1%
Total		(5,151)	40.4%	4,474	31.5%
Federal income taxes incurred		(4,260)	33.4%	7,427	52.4%
Tax on prior year capital gains		0	0.0%	(3,274)	-23.1%
Change in net deferred income tax		(891)	7.0%	(18,693)	-131.7%
Change in net deferred tax - prior year adjusted through surplus		0	0.0%	19,014	133.9%
Total statutory income tax		(5,151)	40.4%	4,474	31.5%

E. Operating loss carryforwards, etc.

1. The Company has no operating loss carryforwards and no tax credit carryforwards as of September 30, 2011 and December 31, 2010.
2. The Company has no deposits admitted under IRC § 6603
3. The following are income taxes incurred in the current and prior year that will be available for recoupement in the event of future net losses:

	Ordinary	Capital	Total
2011	(4,260)	4,068	(192)
2010	6,419	3,907	10,326
Total	2,159	7,975	10,134

F. Tax sharing agreement

The Company is included in the consolidated federal income tax return filed by California Physicians' Service – Blue Shield of California (see Note 10). On May 11, 2011, in connection with a new tax sharing agreement with Blue Shield, the Company filed a Form D, Prior Notice of Transaction, with the California Department of Insurance (Department), and received an acknowledgement of electronic filing from the Department for that filing. Pursuant to California Insurance Code 1215.5(b), a company may enter into an affiliate transaction if it has filed a notice with the Department at least 30 days prior thereto and the Department has not disapproved the transaction within that period. After more than 30 days elapsed without Department objection or comment, the Company and Blue Shield of California executed the new tax sharing agreement, effective July 21, 2011. This agreement provides for separate income tax return calculations with credit for net losses that can be used on a consolidated basis. Intercompany income tax balances are settled based on the Internal Revenue Service due dates.

## NOTES TO FINANCIAL STATEMENTS

### 10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties:

- A. The Company is a wholly owned subsidiary of California Physicians' Service – Blue Shield of California ("Blue Shield").
- B. On December 27, 2010, the Company received capital contributions of \$75 million from Blue Shield. In 2009, in accordance with the previous Tax-Sharing Agreement with the Parent, the Company recognized a \$33 million tax benefit due to its operating loss for that year. This tax consequence resulted in a direct charge to surplus. In 2010, the tax benefit from 2009 was adjusted to \$32 million in the return to provision true-up and the adjustment of \$1 million resulted in a direct credit to surplus.
- C. Amendment No.3 to the Administrative Services Agreement with Blue Shield was executed in 2010. See "F" below for more details.
- D. At September 30, 2011, the Company reported \$10,127,071 as the net amount due from Blue Shield, the Parent Company. Net amounts due between companies are settled (paid) monthly.
- E. There are no guarantees or undertakings for the benefit of a subsidiary or affiliated party.
- F. There is an Administrative Services Agreement dated October 1, 2003 between the Company and Blue Shield whereby the Company reimburses Blue Shield for all payroll and related expenses paid by Blue Shield for the account of the Company. Additionally, the Administrative Services Agreement provides that Blue Shield perform certain administrative services, if any, when requested by the Company. Amendment No. 3 to the Administrative Service Agreement was executed on February 1, 2010, after approval from the California Department of Insurance was received.
- G. All outstanding shares of the Company are owned by Blue Shield.
- H. The Company did not own any shares of an upstream intermediate entity or ultimate parent owned at September 30, 2011 and December 31, 2010.
- I. The Company did not have any investments in affiliates that exceeded 10% of admitted assets at September 30, 2011 and December 31, 2010.
- J. The Company did not have any investments in affiliates and did not record impairments during the periods ended September 30, 2011 and December 31, 2010.
- K. The Company does not have any investments in foreign insurance subsidiaries.
- L. The Company does not have any investments in downstream noninsurance companies.

### 11. Debt:

- A. The Company has no debt, including capital notes, outstanding at September 30, 2011 and December 31, 2010.
- B. The Company has no other debt outstanding at September 30, 2011 and December 31, 2010.

### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans:

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### 13. Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations:

- (1) The Company has 6,000 shares of common stock authorized, 2,500 shares issued and outstanding all with a par value of \$1,000.00.
- (2) The Company has no preferred stock.
- (3) Within the limitations of (5) below, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (4) The Company did not declare nor did it pay any dividends in 2011 or 2010.
- (5) Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, California, to \$27,549,014; the greater of net income or 10% of statutory surplus at the end of the preceding year.
- (6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (7) In November 2010, the Finance and Investment Committee of the Parent's Board of Directors authorized management to make capital contributions to the Company over the subsequent year in an amount up to a maximum of \$75 million. This contribution was received by the Company on December 27, 2010.
- (8) The Company has no shares of stock held for special purposes at September 30, 2011.
- (9) The Company has no changes in special Surplus Funds at September 30, 2011.
- (10) There are no unrealized gains or losses included in the Company's surplus.
- (11) The Company has not issued any surplus notes or debentures or similar obligations.
- (12) The Company has no restatements due to prior quasi-reorganizations.
- (13) The Company has never been involved in a quasi-reorganization.

### 14. Contingencies:

#### A. Contingent Commitments

The Company has no material contingent commitments at September 30, 2011.

#### B. Assessments

The Company has reviewed the information contained on the website of the National Organization of Life & Health Insurance Guarantee Associations ("Guarantee Associations") relating to insolvencies in progress in the State of California. It is expected that these insolvencies will result in future guarantee fund assessments against the Company in the amount of \$184,742. This has been recorded as a liability as of September 30, 2011.

The Pennsylvania Insurance Commissioner has placed long-term care insurer Penn Treaty Network America Insurance Company and one of its subsidiaries (collectively, "Penn Treaty") in rehabilitation, an intermediate action before insolvency, and has petitioned a state court for liquidation. The Company cannot predict when a decision will be made, although the Company believes it is likely that the state court will rule within the next twelve months. If Penn Treaty is declared insolvent and placed in liquidation, insurers likely would be assessed over a period of years by guaranty

## NOTES TO FINANCIAL STATEMENTS

associations for the payments the guaranty associations are required to make to Penn Treaty policyholders. The Company is currently unable to predict the ultimate outcome of, or reasonably estimate the loss or range of losses resulting from, this potential insolvency because the Company cannot predict when the state court will render a decision, the amount of insolvency, if any, or the amount and timing of associated guaranty association assessments. It is reasonably possible that in future reporting periods the Company may record a liability and expense relating to Penn Treaty or other insolvencies which could have a material adverse effect on operating results, financial position and cash flows.

**C. Gain Contingencies**

The Company is not aware of any material gain contingencies.

**D. Claims related to extra contractual obligations and bad faith losses stemming from lawsuits**

In the normal course of business operations, the Company is involved in litigation from time-to-time with insurers, claimants, and other parties. However, in the opinion of the Company, the ultimate liability, if any, would not have a material adverse effect on the Company's financial condition.

The Company paid the following amounts in the reporting period to settle claims related to extra contractual obligations or bad faith losses stemming from lawsuits:

Claims related to ECO and bad faith losses paid during the reporting period:  
\$1,470,357.

Number of claims where amounts were paid to settle claims related to extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period:

☒ 0-25 Claims    ☐ 26-50 Claims    ☐ 51-100 Claims    ☐ 101-500 Claims    ☐ More than 500 Claims

Claims count information is disclosed per claimant.

**E. All other contingencies**

The Company is not aware of any material contingent liabilities. The Company has committed no reserves to cover any contingent liabilities.

**15. Leases:**

The Company has no lease arrangements.

**16. Information About Financial Instruments with Off-balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk:**

Not applicable.

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities:**

Not applicable.

**18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans:**

**A. ASO Plans - Not applicable.**

**B. ASC Plans - Not applicable.**

**C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract - Not applicable.**



## NOTES TO FINANCIAL STATEMENTS

**19. Direct Premiums Written / Produced by Managing General Agents / Third Party Administrators:**

Not applicable.

**20. Fair Value Measurements**

The Company has no assets or liabilities measured and reported at fair value in the statement of financial position after the initial recognition as of September 30, 2011.

**21. Other Items:**

**A. Extraordinary Items**

Not applicable.

**B. Troubled Debt Restructuring – Not applicable.**

**C. Other Disclosures:**

**Premium Credits Reserve:** The Company recorded a reserve for premium credits in the amount of \$83 million as of September 30, 2011.

**Rounding:** The Company has elected to round amounts presented to the nearest whole dollar in reporting amounts in this statement. The amounts in this statement pertain to the entire Company business.

**D. Uncollectible Premiums Receivables**

At September 30, 2011 and December 31, 2010, the Company reported admitted assets of \$13,344,199 and \$8,453,949 respectively in premium receivable due from policyholders and agents and receivables for uninsured plans and amounts due from providers and subscribers. Based upon Company experiences, any uncollectible premiums receivable are not expected to exceed the 2011 nonadmitted amounts totaling \$6,160,183 and, therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

**E. Business Interruption Insurance Recoveries – Not applicable.**

**F. State Transferable Tax Credits – The Company has no state transferable tax credits at September 30, 2011 and December 31, 2010.**

**G. Subprime Mortgage Related Risk Exposure**

**(1) Direct investments in subprime mortgage loans:**

The Company's principal investment objectives of conserving assets, increasing statutory surplus, maintaining the necessary level of liquidity consistent with the business environment and maximizing the potential long-term rates of return while assuming the amount of risk or uncertainty of return which is consistent with both the long- and short-term needs, are supported by a well-diversified portfolio consisting of various types of investments.

The Finance and Investment Committee of the parent's board of directors conducts direct investment oversight. Within this framework, the committee approves, monitors and evaluates Blue Shield's investment managers, staff and

NOTES TO FINANCIAL STATEMENTS

consultants, bank custodians, and any other parties, as needed, to assure the prudent management of the investing program.

The Company does not engage in subprime residential mortgage lending. The Company’s exposure to subprime lending is limited to the underlying assets of the Company’s investments. The Company’s fixed maturity investment portfolio contains securities collateralized by mortgages that may have characteristics of subprime lending such as adjustable-rate mortgages and alternative-documentation mortgages.

In comparison to the Company’s overall investment portfolio, the percentage of the Company’s investment portfolio with underlying assets with subprime mortgage-related risk exposure is small, at .19% at September 30, 2011.

(2) Direct investments in securities with subprime exposure:

The Company does not engage in sub-prime residential mortgage lending; therefore at September 30, 2011, the Company did not carry direct investments in subprime mortgage loans in its portfolio.

	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Value of Land and Buildings	Other Than Temporary Impairment Losses Recognized	Default Rate
	Mortgages in the process of foreclosure				
	Mortgages in good standing				
	Mortgages with restructure terms				
	TOTALS	0	0	0	0

(3) Direct exposure through other investments:

The Company’s subprime mortgage-related exposure at September 30, 2011 is detailed below:

	INVESTMENT TYPE	Actual Cost	Book Adjusted Carrying Value	Fair Value	Other-than- temporary impairment losses recognized to Date
	Structured Securities – Sub-prime Loan Investment	\$480,062	\$ 463,825	\$469,664	\$2,629
	Structured Securities – Alt-A Loan Investment	\$659,094	\$618,493	\$604,007	\$60,668
	TOTALS	\$1,139,156	\$1,082,318	\$1,073,671	\$63,297

(4) Underwriting risk on policies issued for Mortgage Guaranty or Financial Guaranty insurance coverage:

At September 30, 2011, the Company did not underwrite Mortgage Guaranty or Financial Guaranty insurance coverage.

NOTES TO FINANCIAL STATEMENTS

	Losses Paid in the Current Year	Losses Incurred in the Current Year	Case Reserves at End of Current Period	IBNR Reserves at End of Current Period
	Mortgage Guaranty Coverage			
	Financial Guaranty Coverage			
	Other Lines:			
	TOTALS	0	0	0

H. Retained Assets: Not applicable.

22. Events Subsequent:

The Company is not aware of any events occurring subsequent to the close of the books for this statement that may have a material effect on its financial condition.

23. Reinsurance:

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any reinsurers owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes( ) No (x)

- (2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes( ) No (x)

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes( ) No (x)

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the Company to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0

- b. What is the total amount of reinsurance credits taken, whether as asset or as a reduction of liability, for these agreements in this statement? \$0.

- (2) Does the Company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offsets

## NOTES TO FINANCIAL STATEMENTS

of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes( ) No (x)

### Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than non-payment of premiums or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the anticipated experience of the business reinsured in making the estimate. \$0.
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of this agreement?

Yes( ) No (x)

#### B. Uncollectible Reinsurance:

The Company has not written off any uncollectible reinsurance during the period ended September 30, 2011.

#### C. Commutation of Ceded Reinsurance:

The Company has not commuted any ceded reinsurance during the period ended September 30, 2011.

#### 24. Retrospectively Rated Contracts Subject to Redetermination:

No premiums written by the Company are subject to retrospective rating features.

#### 25. Change in Incurred Losses and Loss Adjustment Expenses:

As of December 31, 2010, the Company maintained total reserves for claim and claim adjustment expenses of \$154,671,793. As of September 30, 2011, \$124,847,827 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$5,718,538 as a result of re-estimation of unpaid claims and claim adjustment expenses. This represents a \$24,105,427 million favorable prior-year development since December 31, 2010 to September 30, 2011. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

#### 26. Intercompany Pooling Arrangements:

Not applicable.

#### 27. Structured Settlements:

Not applicable.

#### 28. Health Care Receivables:

Not applicable.

NOTES TO FINANCIAL STATEMENTS

29. Participating Policies:

Not applicable.

30. Premium Deficiency Reserves

As of September 30, 2011, the Company has a premium deficiency reserve in the amount of \$30,539 related to long-term care insurance policies. December 31, 2010 is the most recent evaluation date of this liability. The Company did not consider anticipated investment income when calculating this reserve.

31. Reserves for Life Contracts and Deposit Type Contracts:

- (1) The Company waives deductions of deferred premiums upon death of the insured and returns any portion of the final premium beyond the date of death. Reserves are established to account for these practices. Surrender values are not promised in excess of the legally computed reserves.
- (2) The Company does not issue policies on a substandard basis.
- (3) As of the statement date, the Company had no life insurance in force for which the gross premiums were less than the net premiums according to the standards of valuation set by the State of California.
- (4) The Tabular Interest, the Tabular Less Actual Reserve Released and the Tabular Cost have been determined by formulas as described in the instructions.
- (5) The Company holds no life or annuity reserves not involving life contingencies.
- (6) Other reserve changes are reductions of \$44,425 during the period ended September 30, 2011 for policies previously on waiver of premium.

32. Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics:

A.	Subject to discretionary withdrawal	0
B.	Not subject to discretionary withdrawal	0
C.	Total ( gross: direct + assumed )	0
D.	Reinsurance ceded	0
E.	Total (net) (C) – (D)	\$ 0
F.	Life & Accident & Health Annual Statement:	
	1. Liabilities, Surplus and Other Funds, Line 3, Column 1	\$ 7,486

NOTES TO FINANCIAL STATEMENTS

33. Premiums and Annuity Considerations Deferred and Uncollected:

A. Deferred and uncollected life insurance premiums and annuity considerations as of the statement date were as follows:

	(1)	(2)	(3)
	Gross	Loading	Net of Loading
(1) Industrial	\$0	\$0	\$0
(2) Ordinary new business	\$0	\$0	\$0
(3) Ordinary renewal	\$128,078	\$0	\$128,078
(4) Credit life	\$0	\$0	\$0
(5) Group life	\$467,549	\$0	\$467,549
(6) Group annuity	\$0	\$0	\$0
(7) Totals	<u>\$595,627</u>	<u>\$0</u>	<u>\$595,627</u>

34. Separate Accounts:

The Company has no separate accounts at September 30, 2011 and December 31, 2010.

35. Loss/Claim Adjustment Expenses:

A. The balance in the liability for unpaid accident and health claim adjustment expenses as of September 30, 2011 and December 31, 2010 was \$1,462,500 and \$1,462,500, respectively.

B. In the current year, the Company did not increase or decrease the provision for incurred loss/claim adjustment expenses of prior years.

C. Payments of loss/claim adjustment expenses are not applied against the provision for insured events. Therefore, payments made in current year are incurred in the same year.

D. The Company took into account estimated anticipated salvage and subrogation in its determination of the liability for unpaid claims/losses and reduced such liability by \$0.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? .....

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state? .....

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....

Yes ☐ No ☒
- 2.2

If yes, date of change: .....
3.

Have there been any substantial changes in the organizational chart since the prior quarter end? .....

Yes ☐ No ☒

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....

Yes ☐ No ☒
- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? .....

If yes, attach an explanation.

Yes ☐ No ☒ NA ☐
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

12/31/2008
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....

12/31/2008
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....

06/25/2010
- 6.4

By what department or departments?  
California Department of Insurance.....
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....

Yes ☐ No ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with? .....

Yes ☒ No ☐ NA ☐
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....

Yes ☐ No ☒
- 7.2

If yes, give full information:  
.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?.....

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?.....

Yes ☐ No ☒
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

GENERAL INTERROGATORIES

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [X] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain: .....

9.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s). .....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s). .....

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?..... Yes [X] No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....\$ .....10,127,071

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes [ ] No [X]

11.2 If yes, give full and complete information relating thereto: .....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: .....\$ .....0

13. Amount of real estate and mortgages held in short-term investments: .....\$ .....0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [ ] No [X]

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....0	\$ .....0
14.22 Preferred Stock .....	\$ .....0	\$ .....0
14.23 Common Stock .....	\$ .....0	\$ .....0
14.24 Short-Term Investments .....	\$ .....0	\$ .....0
14.25 Mortgage Loans on Real Estate .....	\$ .....0	\$ .....0
14.26 All Other .....	\$ .....0	\$ .....0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....0	\$ .....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....0	\$ .....0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes [ ] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ]

If no, attach a description with this statement.



GENERAL INTERROGATORIES

16. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? .....

Yes [X] No [ ]

16.1 For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian Address
The Northern Trust Company.....	Santa Clara, CA.....

16.2 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? .....

Yes [ ] No [X]

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
107105.....	Black Rock Management, Inc.....	New York, New York.....

17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? .....

Yes [X] No [ ]

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES  
PART 2 - LIFE & HEALTH

1. Report the statement value of mortgage loans at the end of this reporting period for the following categories:	1 Amount
1.1 Long-Term Mortgages In Good Standing	
1.11 Farm Mortgages .....	\$ .....0
1.12 Residential Mortgages .....	\$ .....0
1.13 Commercial Mortgages .....	\$ .....0
1.14 Total Mortgages in Good Standing .....	\$ .....0
1.2 Long-Term Mortgages In Good Standing with Restructured Terms	
1.21 Total Mortgages in Good Standing with Restructured Terms.....	\$ .....0
1.3 Long-Term Mortgages Loans upon which Interest is Overdue more than Three Months	
1.31 Farm Mortgages .....	\$ .....0
1.32 Residential Mortgages .....	\$ .....0
1.33 Commercial Mortgages .....	\$ .....0
1.34 Total Mortgages with Interest Overdue more than Three Months.....	\$ .....0
1.4 Long-Term Mortgages Loans in Process of Foreclosure	
1.41 Farm Mortgages .....	\$ .....0
1.42 Residential Mortgages .....	\$ .....0
1.43 Commercial Mortgages .....	\$ .....0
1.44 Total Mortgages in Process of Foreclosure.....	\$ .....0
1.5 Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2).....	\$ .....0
1.6 Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter	
1.61 Farm Mortgages .....	\$ .....0
1.62 Residential Mortgages .....	\$ .....0
1.63 Commercial Mortgages .....	\$ .....0
1.64 Total Mortgages Foreclosed and Transferred to Real Estate .....	\$ .....0
2. Operating Percentages:	
2.1 A&H loss percent.....	.....0.0 %
2.2 A&H cost containment percent .....	.....0.0 %
2.3 A&H expense percent excluding cost containment expenses.....	.....0.0 %
3.1 Do you act as a custodian for health savings accounts?.....	Yes [ ] No [X]
3.2 If yes, please provide the amount of custodial funds held as of the reporting date.....	\$ .....
3.3 Do you act as an administrator for health savings accounts?.....	Yes [ ] No [X]
3.4 If yes, please provide the balance of the funds administered as of the reporting date.....	\$ .....

**STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY**

## SCHEDULE S - CEDED REINSURANCE

### Showing All New Reinsurance Treaties

1	2	3	4	5	6	7
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsurer	Domiciliary Jurisdiction	Type of Reinsurance Ceded	Is Insurer Authorized? (Yes or No)
			NONE			

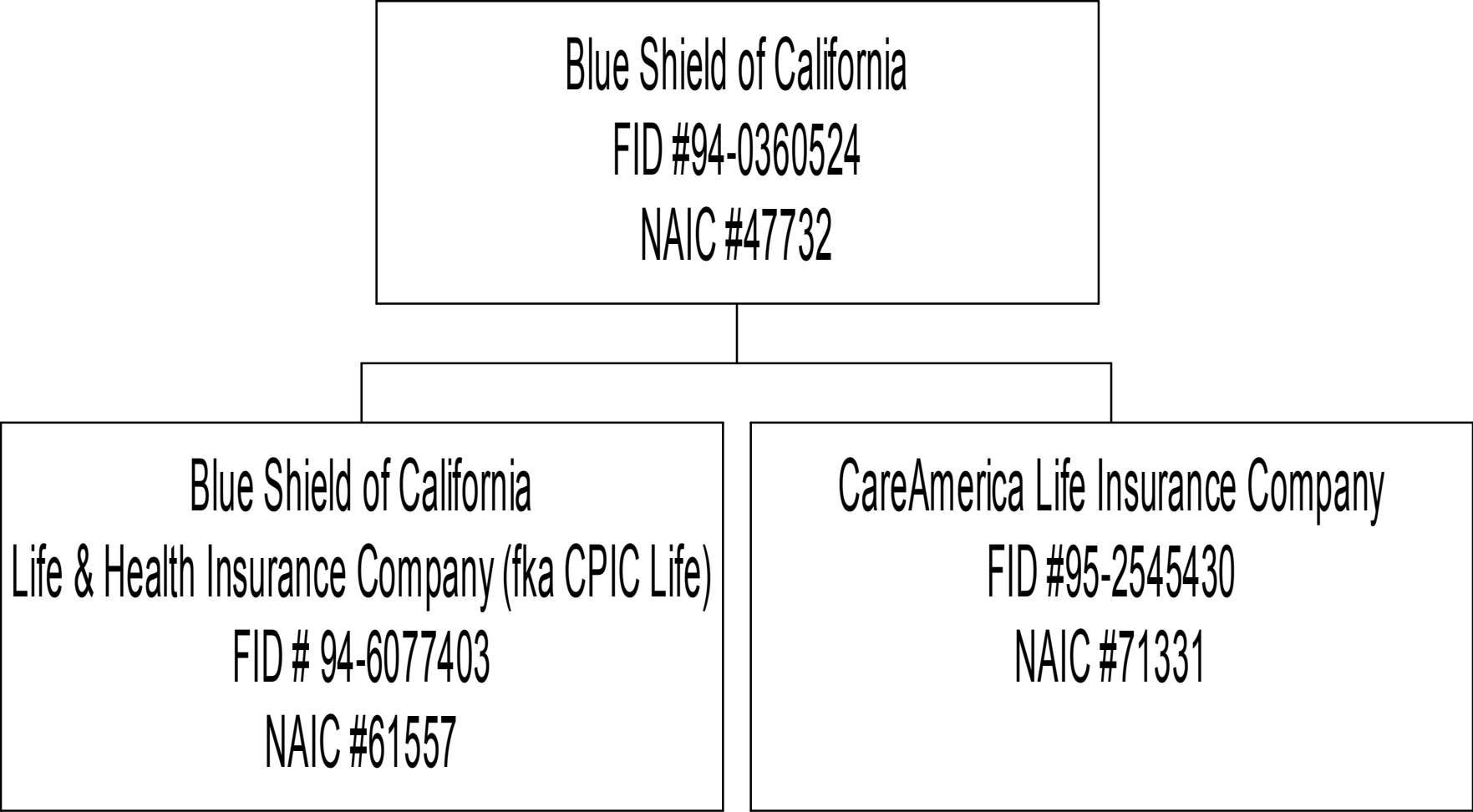
STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

SCHEDULE T – PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year To Date - Allocated by States and Territories							
States, Etc.	1	Direct Business Only					
		Life Contracts		4	5	6	7
		2	3				
	Active Status	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 Through 5	Deposit - Type Contracts
1. Alabama	AL N					0	
2. Alaska	AK N					0	
3. Arizona	AZ N					0	
4. Arkansas	AR N					0	
5. California	CA L	6,190,644		1,100,812,861		1,107,003,505	
6. Colorado	CO N					0	
7. Connecticut	CT N					0	
8. Delaware	DE N					0	
9. District of Columbia	DC N					0	
10. Florida	FL N					0	
11. Georgia	GA N					0	
12. Hawaii	HI N					0	
13. Idaho	ID N					0	
14. Illinois	IL N					0	
15. Indiana	IN N					0	
16. Iowa	IA N					0	
17. Kansas	KS N					0	
18. Kentucky	KY N					0	
19. Louisiana	LA N					0	
20. Maine	ME N					0	
21. Maryland	MD N					0	
22. Massachusetts	MA N					0	
23. Michigan	MI N					0	
24. Minnesota	MN N					0	
25. Mississippi	MS N					0	
26. Missouri	MO N					0	
27. Montana	MT N					0	
28. Nebraska	NE N					0	
29. Nevada	NV N					0	
30. New Hampshire	NH N					0	
31. New Jersey	NJ N					0	
32. New Mexico	NM N					0	
33. New York	NY N					0	
34. North Carolina	NC N					0	
35. North Dakota	ND N					0	
36. Ohio	OH N					0	
37. Oklahoma	OK N					0	
38. Oregon	OR N					0	
39. Pennsylvania	PA N					0	
40. Rhode Island	RI N					0	
41. South Carolina	SC N					0	
42. South Dakota	SD N					0	
43. Tennessee	TN N					0	
44. Texas	TX N					0	
45. Utah	UT N					0	
46. Vermont	VT N					0	
47. Virginia	VA N					0	
48. Washington	WA N					0	
49. West Virginia	WV N					0	
50. Wisconsin	WI N					0	
51. Wyoming	WY N					0	
52. American Samoa	AS N					0	
53. Guam	GU N					0	
54. Puerto Rico	PR N					0	
55. US Virgin Islands	VI N					0	
56. Northern Mariana Islands	MP N					0	
57. Canada	CN N					0	
58. Aggregate Other Alien	OT XXX	0	0	0	0	0	0
59. Subtotal	(a) 1	6,190,644	0	1,100,812,861	0	1,107,003,505	0
90. Reporting entity contributions for employee benefit plans	XXX					0	
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX					0	
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX					0	
93. Premium or annuity considerations waived under disability or other contract provisions	XXX					0	
94. Aggregate other amounts not allocable by State	XXX	0	0	0	0	0	0
95. Totals (Direct Business)	XXX	6,190,644	0	1,100,812,861	0	1,107,003,505	0
96. Plus Reinsurance Assumed	XXX	0		0		0	
97. Totals (All Business)	XXX	6,190,644	0	1,100,812,861	0	1,107,003,505	0
98. Less Reinsurance Ceded	XXX	385,982		3,087,452		3,473,434	
99. Totals (All Business) less Reinsurance Ceded	XXX	5,804,662	0	1,097,725,409	0	1,103,530,071	0
DETAILS OF WRITE-INS							
5801.	XXX					0	
5802.	XXX					0	
5803.	XXX					0	
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 + 5898) (Line 58 above)	XXX	0	0	0	0	0	0
9401.	XXX					0	
9402.	XXX					0	
9403.	XXX					0	
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX	0	0	0	0	0	0
9499. Totals (Lines 9401 through 9403 + 9498) (Line 94 above)	XXX	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.  
(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART



**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.


	RESPONSE
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
2. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	.....NO.....
3. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	.....NO.....
4. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	.....NO.....
5. Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC?	.....NO.....
6. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC?	.....NO.....
7. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC?	.....NO.....

Explanation:

1.
2.
3.
4.
5.
6.
7.


Bar Code:

1.




615572011490000003

2.




615572011365000003

3.




615572011445000003

4.



615572011446000003

5.



615572011447000003

6.

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE  
COMPANY





**OVERFLOW PAGE FOR WRITE-INS**

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STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

SCHEDULE A – VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		0
2.2 Additional investment made after acquisition .....		0
3. Current year change in encumbrances .....		0
4. Total gain (loss) on disposals .....		0
5. Deduct amounts received on disposals .....		0
6. Total foreign exchange change in book/adjusted carrying value .....		0
7. Deduct current year's other than temporary impairment recognized .....		0
8. Deduct current year's depreciation .....		0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	0	0
10. Deduct total nonadmitted amounts .....	0	0
11. Statement value at end of current period (Line 9 minus Line 10) .....	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1. Actual cost at time of acquisition .....		0
2.2. Additional investment made after acquisition .....		0
3. Capitalized deferred interest and other .....		0
4. Accrual of discount .....		0
5. Unrealized valuation increase (decrease) .....		0
6. Total gain (loss) on disposals .....		0
7. Deduct amounts received on disposals .....		0
8. Deduct amortization of premium and mortgage interest points and commitment fees .....		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....		0
10. Deduct current year's other than temporary impairment recognized .....		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	0	0
12. Total valuation allowance .....		0
13. Subtotal (Line 11 plus Line 12) .....	0	0
14. Deduct total nonadmitted amounts .....	0	0
15. Statement value at end of current period (Line 13 minus Line 14) .....	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1. Actual cost at time of acquisition .....		0
2.2. Additional investment made after acquisition .....		0
3. Capitalized deferred interest and other .....		0
4. Accrual of discount .....		0
5. Unrealized valuation increase (decrease) .....		0
6. Total gain (loss) on disposals .....		0
7. Deduct amounts received on disposals .....		0
8. Deduct amortization of premium and depreciation .....		0
9. Total foreign exchange change in book/adjusted carrying value .....		0
10. Deduct current year's other than temporary impairment recognized .....		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	0	0
12. Deduct total nonadmitted amounts .....	0	0
13. Statement value at end of current period (Line 11 minus Line 12) .....	0	0

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	531,249,730	410,448,079
2. Cost of bonds and stocks acquired .....	911,849,753	883,684,361
3. Accrual of discount .....	628,756	567,528
4. Unrealized valuation increase (decrease) .....	(1,375,000)	0
5. Total gain (loss) on disposals .....	11,692,805	11,378,683
6. Deduct consideration for bonds and stocks disposed of .....	889,798,221	771,957,664
7. Deduct amortization of premium .....	2,228,048	2,592,842
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	278,415
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	562,019,775	531,249,730
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11) .....	562,019,775	531,249,730

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	488,301,472	464,875,626	425,016,720	(2,461,928)	427,912,776	488,301,472	525,698,450	433,780,022
2. Class 2 (a).....	108,688,351	9,688,763	30,289,217	1,837,372	109,178,013	108,688,351	89,925,269	112,385,064
3. Class 3 (a).....	2,090,494	0	2,089,447	(1,047)	2,094,951	2,090,494	0	2,099,349
4. Class 4 (a).....	0	0	0	0	0	0	0	0
5. Class 5 (a).....	0	0	0	0	0	0	0	0
6. Class 6 (a).....	0	0	0	0	0	0	0	0
7. Total Bonds	599,080,317	474,564,389	457,395,384	(625,603)	539,185,740	599,080,317	615,623,719	548,264,434
<b>PREFERRED STOCK</b>								
8. Class 1 .....	0	0	0	0	0	0	0	0
9. Class 2 .....	0	0	0	0	0	0	0	0
10. Class 3 .....	0	0	0	0	0	0	0	0
11. Class 4 .....	0	0	0	0	0	0	0	0
12. Class 5 .....	0	0	0	0	0	0	0	0
13. Class 6 .....	0	0	0	0	0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	599,080,317	474,564,389	457,395,384	(625,603)	539,185,740	599,080,317	615,623,719	548,264,434

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ .....0 ; NAIC 2 \$ .....1,375,000 ;  
NAIC 3 \$ .....0 ; NAIC 4 \$ .....0 ; NAIC 5 \$ .....0 ; NAIC 6 \$ .....0

SCHEDULE DA - PART 1  
Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999 Totals	53,603,944	XXX	53,603,944	13,388	0

SCHEDULE DA - VERIFICATION  
Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	10,015,556	74,904,876
2. Cost of short-term investments acquired .....	133,401,309	67,923,545
3. Accrual of discount .....	4,669	2,878
4. Unrealized valuation increase (decrease).....	1,375,000	0
5. Total gain (loss) on disposals .....	1,985	1,273
6. Deduct consideration received on disposals .....	91,194,576	132,796,452
7. Deduct amortization of premium.....	0	20,564
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	53,603,944	10,015,556
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	53,603,944	10,015,556

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E - VERIFICATION  
(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	6,999,148	650,856
2. Cost of cash equivalents acquired .....	32,997,639	32,994,152
3. Accrual of discount .....	1,278	1,382
4. Unrealized valuation increase (decrease) .....	0	0
5. Total gain (loss) on disposals.....	476	(365)
6. Deduct consideration received on disposals .....	39,998,540	26,645,921
7. Deduct amortization of premium .....	0	956
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	0	6,999,148
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	6,999,148

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2		3	4	5	6	7	8	9	10
CUSIP Identification	Description		Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator <sup>(a)</sup>
Bonds - U.S. Governments										
313462-TZ-5	Freddie Mac	0.625% 08/15/13		08/02/2011	JP Morgan Secs		4,400,000	4,400,000.00	.0	1
31359M-2D-4	Fannie Mae	4.875% 12/15/16		08/09/2011	Man Securities Inc.		1,279,751	1,100,000.00	8,193	1
3135G0-CM-3	Fannie Mae	1.250% 09/28/16		08/17/2011	UBS Securities LLC		2,744,995	2,750,000.00	.0	1
3137EA-CW-7	Freddie Mac	2.000% 08/25/16		08/10/2011	Citigroup Global Markets		5,976,159	5,750,000.00	10,542	1
36202F-B4-7	GNMA Pool	004559 5.000% 10/20/39		09/08/2011	Credit Suisse First Boston		1,790,252	1,617,393.00	4,493	1
36202F-GY-6	GNMA Pool	004715 5.000% 06/20/40		09/08/2011	Morgan Stanley		2,021,011	1,826,129.00	5,073	1
36202F-JR-8	GNMA Pool	004772 5.000% 08/20/40		09/08/2011	Bank Of America		648,137	585,639.00	1,627	1
36202F-UF-1	GNMA Pool	005082 4.500% 06/20/41		09/01/2011	JP Morgan Secs		4,894,406	4,512,273.00	11,281	1
36207F-BX-8	GNMA Pool	430354 4.000% 08/15/41		08/26/2011	JP Morgan Secs		3,014,933	2,845,535.00	6,323	1
36241L-L7-9	GNMA Pool	783050 5.000% 07/20/40		09/08/2011	Morgan Stanley		1,879,559	1,698,317.00	4,718	1
36241L-QK-5	GNMA Pool	783158 5.000% 08/20/40		09/08/2011	Citigroup Global Markets		1,357,259	1,226,554.00	3,407	1
36241L-XG-6	GNMA Pool	783379 4.000% 08/15/41		08/30/2011	BNP Paribas		5,977,259	5,628,967.00	12,509	1
912810-QL-5	US Treasury Bond	4.250% 11/15/40		09/22/2011	JP Morgan Secs		700,672	550,000.00	8,575	1
912810-QQ-4	US Treasury Bond	4.375% 05/15/41		09/06/2011	Morgan Stanley		2,682,401	2,220,000.00	30,761	1
912810-QS-0	US Treasury Bond	3.750% 08/15/41		09/23/2011	Various		4,761,535	4,250,000.00	12,697	1
912828-LL-2	US Treasury	3.000% 08/31/16		08/08/2011	Credit Suisse First Boston		8,446,778	7,725,000.00	103,280	1
912828-MP-2	US Treasury	3.625% 02/15/20		08/05/2011	Goldman Sachs		2,512,729	2,275,000.00	40,095	1
912828-PM-6	US Treasury	2.125% 12/31/15		08/23/2011	Morgan Stanley		10,812,398	10,200,000.00	33,573	1
912828-QF-0	US Treasury	2.000% 04/30/16		07/26/2011	Bank Of America		5,139,079	5,000,000.00	23,913	1
912828-QN-3	US Treasury	3.125% 05/15/21		08/09/2011	Various		20,968,139	20,235,000.00	133,568	1
912828-QR-4	US Treasury	1.500% 06/30/16		07/20/2011	Various		17,730,665	17,740,000.00	13,218	1
912828-QT-0	US Treasury	2.375% 06/30/18		07/08/2011	Morgan Stanley		4,510,723	4,500,000.00	3,775	1
912828-QU-7	US Treasury	0.625% 07/15/14		07/19/2011	RBS Trust		999,769	1,000,000.00	119	1
912828-QX-1	US Treasury	1.500% 07/31/16		08/22/2011	Various		16,670,675	16,420,000.00	7,749	1
912828-QY-9	US Treasury	2.250% 07/31/18		08/25/2011	Various		10,226,238	9,750,000.00	15,132	1
912828-RB-8	US Treasury	0.500% 08/15/14		08/25/2011	Various		23,426,786	23,335,000.00	4,109	1
912828-RC-6	US Treasury	2.125% 08/15/21		09/30/2011	Various		25,075,700	24,945,000.00	35,740	1
912828-RD-4	US Treasury	0.125% 08/31/13		09/20/2011	Various		46,942,439	46,980,000.00	3,317	1
912828-RE-2	US Treasury	1.500% 08/31/18		09/22/2011	Various		29,028,250	28,750,000.00	19,688	1
0599999 - Bonds - U.S. Governments							266,618,697	259,815,807.00	557,474	XXX
Bonds - U.S. Special Revenue										
3132GE-7K-0	FHLMC Pool	Q01798 4.500% 07/01/41		07/28/2011	Bank Of America		2,325,241	2,242,041.00	2,803	1
3132GE-P9-5	FHLMC Pool	Q01348 4.500% 06/01/41		07/28/2011	Credit Suisse First Boston		1,288,901	1,243,063.00	1,554	1
3132GF-5X-1	FHLMC Pool	Q02662 4.500% 08/01/41		08/10/2011	Wells Fargo Bank		4,950,328	4,634,596.00	6,952	1
3132GF-FX-0	FHLMC Pool	Q01982 4.500% 07/01/41		08/10/2011	Wells Fargo Bank		795,811	745,055.00	1,118	1
3132GF-UJ-4	FHLMC Pool	Q02385 4.500% 07/01/41		08/05/2011	Credit Suisse First Boston		2,179,801	2,057,478.00	2,572	1
3132GF-UL-9	FHLMC Pool	Q02387 4.500% 08/01/41		08/05/2011	Credit Suisse First Boston		2,275,071	2,147,401.00	2,684	1
3132GF-VU-8	FHLMC Pool	Q02427 4.500% 08/01/41		07/28/2011	Goldman Sachs		1,424,391	1,373,424.00	1,717	1
3132GF-X4-4	FHLMC Pool	Q02499 4.500% 08/01/41		08/05/2011	Credit Suisse First Boston		888,909	839,026.00	1,049	1
3132GF-YY-7	FHLMC Pool	Q02527 4.500% 08/01/41		07/28/2011	Nomura Sec Intl Inc		2,021,082	1,948,177.00	2,435	1
3132GG-CL-7	FHLMC Pool	Q02775 4.500% 08/01/41		08/10/2011	Wells Fargo Bank		1,275,570	1,194,214.00	1,791	1
3138AA-3F-6	FNMA Pool	AH8897 4.500% 03/01/41		07/01/2011	Prior Period Adjustment		(14,037)	(13,558.00)	(22)	1
3138AA-5Q-0	FNMA Pool	AH8954 4.000% 04/01/41		08/03/2011	Credit Suisse First Boston		654,308	637,039.00	708	1
3138AF-B5-8	FNMA Pool	A01859 4.500% 05/01/41		07/01/2011	Prior Period Adjustment		(12,267)	(11,850.00)	(19)	1
3138AJ-K5-0	FNMA Pool	A14815 4.500% 06/01/41		07/01/2011	Prior Period Adjustment		(17,346)	(16,757.00)	(27)	1
3138AJ-NB-4	FNMA Pool	A14885 4.000% 06/01/41		08/29/2011	Nomura Sec Intl Inc		4,116,127	3,973,336.00	5,298	1
3138AK-XR-5	FNMA Pool	A16087 4.500% 06/01/41		07/01/2011	Prior Period Adjustment		(4,211)	(4,069.00)	(7)	1
3138AM-SW-6	FNMA Pool	A17732 4.500% 08/01/41		08/10/2011	Bank Of America		582,142	544,138.00	816	1
3138AM-UC-7	FNMA Pool	A17778 4.000% 07/01/41		07/27/2011	Credit Suisse First Boston		6,852,401	6,822,553.00	7,581	1
3138AM-UJ-2	FNMA Pool	A17784 4.500% 07/01/41		09/15/2011	Morgan Stanley		1,423,393	1,336,814.00	3,175	1
3138AM-UX-1	FNMA Pool	A17797 4.000% 07/01/41		07/27/2011	Credit Suisse First Boston		4,526,938	4,507,219.00	5,008	1
3138AM-YB-5	FNMA Pool	A17905 4.500% 08/01/41		08/10/2011	Wells Fargo Bank		319,762	299,236.00	449	1
3138AM-YR-0	FNMA Pool	A17919 4.000% 08/01/41		08/03/2011	BNP Paribas		4,351,505	4,237,297.00	4,708	1
3138AM-YS-8	FNMA Pool	A17920 4.000% 08/01/41		07/27/2011	Morgan Stanley		1,749,769	1,742,689.00	1,936	1
3138AN-CY-7	FNMA Pool	A18186 4.000% 08/01/41		08/04/2011	Credit Suisse First Boston		5,352,271	5,179,878.00	5,755	1
3138AP-LZ-9	FNMA Pool	A19343 4.500% 08/01/41		08/10/2011	Morgan Stanley		160,369	149,790.00	225	1
3138EG-2J-2	FNMA Pool	AL0776 5.000% 09/01/41		09/13/2011	Credit Suisse First Boston		7,089,160	6,558,344.00	10,931	1
3138EG-Z4-9	FNMA Pool	AL0762 4.500% 09/01/41		09/13/2011	Bank Of America		4,085,250	3,840,000.00	5,760	1
31402R-CV-9	FNMA Pool	735484 5.000% 05/01/35		08/02/2011	Credit Suisse First Boston		5,602,205	5,201,902.00	7,225	1



STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2		3	4	5	6	7	8	9	10
CUSIP Identification	Description		Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator <sup>(a)</sup>
31416Y-YN-2	FNMA Pool	AB3416 4.000%		08/01/41	08/03/2011	JP Morgan Secs	869,907	846,883.00	941	1
31417A-D4-8	FNMA Pool	AB3722 3.000%		10/01/26	09/30/2011	Wells Fargo Bank	4,902,891	4,750,000.00	6,729	1
31419A-4K-0	FNMA Pool	AE0825 6.000%		10/01/39	09/01/2011	Morgan Stanley	3,939,386	3,548,497.00	7,097	1
31419A-4N-4	FNMA Pool	AE0828 3.500%		02/01/41	09/29/2011	Credit Suisse First Boston	7,927,907	7,776,010.00	8,712	1
31419B-C2-9	FNMA Pool	AE0988 4.000%		09/01/25	07/01/2011	Prior Period Adjustment	(22,486)	(21,572.00)	(43)	1
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Government and Their Political Subdivisions							83,860,452	80,308,293.00	107,609	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)										
00206R-AY-8	AT&T Inc	2.400%		08/15/16	08/15/2011	JP Morgan Secs	1,853,918	1,860,000.00	0	1FE
0258M0-DC-0	American Express Credit Co	MTN 2.800%		09/14/2011	09/14/2011	Deutsche Bank Securities	2,497,925	2,500,000.00	0	2FE
06406H-BX-6	Bank of New York Mellon	MTN 2.300%		07/21/2011	07/21/2011	Goldman Sachs	2,922,514	2,925,000.00	0	1FE
172967-FF-3	Citigroup Inc	5.375%		08/09/20	07/07/2011	Citigroup Global Markets	1,582,095	1,500,000.00	34,266	1FE
191216-AS-9	Coca-Cola Company	Series 144A 1.800%		0	08/03/2011	Various	4,045,365	4,045,000.00	0	1FE
19122T-AE-9	Coca-Cola Enterprises	3.250%		08/19/21	08/16/2011	Deutsche Bank Securities	1,100,355	1,120,000.00	0	2FE
224044-BS-5	Cox Communications Inc	Series 144A 6.2		09/19/2011	09/19/2011	JP Morgan Secs	702,525	590,000.00	11,370	2FE
25746U-BN-8	Dominion Resources Inc	1.950%		08/15/16	08/10/2011	Bank Of America	1,039,750	1,040,000.00	0	2FE
341099-CP-2	Florida Power Corp	3.100%		08/15/21	08/15/2011	Citigroup Global Markets	1,247,450	1,250,000.00	0	1FE
38141G-GQ-1	Goldman Sachs Group Inc	5.250%		07/27/2	09/13/2011	Various	1,870,360	1,860,000.00	11,177	1FE
428236-BK-8	Hewlett-Packard Co	1.550%		05/30/14	07/20/2011	Morgan Stanley	1,216,344	1,200,000.00	2,842	1FE
458140-AJ-9	Intel Corp	3.300%		10/01/21	09/14/2011	Goldman Sachs	1,745,835	1,750,000.00	0	1FE
46625H-JA-9	JPMorgan Chase & Co.	3.150%		07/05/16	07/20/2011	JP Morgan Secs	1,254,813	1,250,000.00	3,063	1FE
46625H-JC-5	JP Morgan Chase & Co	4.350%		08/15/21	09/13/2011	Various	2,667,727	2,605,000.00	8,190	1FE
491674-BE-6	Kentucky Utilities Co	3.250%		11/01/20	06/30/2011	Tax Free Exchange	996,413	1,000,000.00	5,326	1FE
59156R-AT-5	Metlife Inc	7.717%		02/15/19	07/07/2011	Wells Fargo Bank	1,143,206	935,000.00	29,463	1FE
61747W-AL-3	Morgan Stanley	5.500%		07/28/21	09/13/2011	Various	1,730,912	1,730,000.00	11,719	1FE
63946B-AC-4	NBC Universal Media LLC	2.875%		04/01/1	08/19/2011	Tax Free Exchange	3,998,122	4,000,000.00	44,083	2FE
674599-CB-9	Occidental Petroleum Corp	1.750%		02/15	08/15/2011	Citigroup Global Markets	1,906,636	1,925,000.00	0	1FE
716495-AH-9	Petrohawk Energy Corp	10.500%		08/01/14	09/30/2011	Various	1,995,673	1,773,000.00	30,995	2FE
742718-DV-8	Procter and Gamble Co	1.450%		08/15/16	08/10/2011	Deutsche Bank Securities	2,093,036	2,110,000.00	0	1FE
797440-BN-3	San Diego G & E	3.000%		08/15/21	08/15/2011	UBS Securities LLC	1,243,588	1,250,000.00	0	1FE
883556-BA-9	Thermo Fisher Scientific	2.250%		08/15/	08/09/2011	Bank Of America	1,128,034	1,130,000.00	0	1FE
88732J-BA-5	Time Warner Cable Inc	4.000%		09/01/21	09/07/2011	Goldman Sachs	852,337	860,000.00	0	2FE
06415C-AA-7	Bank Of Nova Scotia	Series 144A 2.150%	A	07/26/2011	07/26/2011	Morgan Stanley	3,223,484	3,225,000.00	0	1FE
02364W-BC-8	America Movil	2.375%	F	09/08/16	08/31/2011	Bank Of America	1,983,760	2,000,000.00	0	1FE
06739G-AR-0	Barclays Bank Plc	5.125%	F	01/08/20	09/21/2011	Various	782,574	785,000.00	8,408	1FE
22546Q-AD-9	Credit Suisse	5.400%	F	01/14/20	09/21/2011	Various	2,160,924	2,220,000.00	21,782	1FE
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)							50,985,673	50,438,000.00	222,682	XXX
8399997 - Subtotals- Bonds - Part 3							401,464,822	390,562,100.00	887,766	XXX
8399999 - Subtotals - Bonds							401,464,822	390,562,100.00	887,766	XXX
9999999 Totals							401,464,822	XXX	887,766	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0 .

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S.	Governments																				
362000-2C-7..	GNMA Pool 569671 6.000% 02/15/17..		09/01/2011..	Paydown.....		6,828	6,828.00	6,928	6,876	.0	(48)	.0	(48)	.0	6,828	.0	.0	.0	.274	02/15/2017..	1..
362000-YX-6..	GNMA Pool 569626 6.000% 02/15/17..		09/01/2011..	Paydown.....		.905	.905.00	.919	.915	.0	(9)	.0	(9)	.0	.905	.0	.0	.0	.36	02/15/2017..	1..
36201P-3P-8..	GNMA Pool 589506 6.000% 10/15/32..		09/01/2011..	Paydown.....		1,133	1,133.00	1,179	1,177	.0	(43)	.0	(43)	.0	1,133	.0	.0	.0	.45	10/15/2032..	1..
36202E-QZ-5..	GNMA2 Pool 004072 5.500% 01/20/38..		09/01/2011..	Paydown.....		29,050	29,050.00	28,941	28,941	.0	109	.0	109	.0	29,050	.0	.0	.0	1,066	01/20/2038..	1..
36202S-BT-4..	GNMA Pool 607650 6.000% 02/15/33..		09/01/2011..	Paydown.....		.224	.224.00	.233	.233	.0	(9)	.0	(9)	.0	.224	.0	.0	.0	.9	02/15/2033..	1..
36230W-EP-8..	GNMA Pool 752842 3.950% 07/15/25..		09/01/2011..	Paydown.....		31,800	31,800.00	31,780	31,783	.0	.16	.0	.16	.0	31,800	.0	.0	.0	.838	07/15/2025..	1..
36241K-HV-3..	GNMA Pool 782044 6.500% 12/15/32..		09/01/2011..	Paydown.....		159,459	159,459.00	181,335	.0	.0	(21,876)	.0	(21,876)	.0	159,459	.0	.0	.0	3,446	12/15/2032..	1..
36241L-XG-6..	GNMA Pool 783379 4.000% 08/15/41..		09/13/2011..	Credit Suisse First Boston..		5,993,970	5,628,967.00	5,977,259	.0	.0	(768)	.0	(768)	.0	5,976,491	.0	17,479	17,479	11,883	08/15/2041..	1..
36291F-LJ-5..	GNMA Pool 626829 6.000% 06/15/35..		09/01/2011..	Paydown.....		3,552	3,552.00	3,604	3,602	.0	(50)	.0	(50)	.0	3,552	.0	.0	.0	.142	06/15/2035..	1..
36295N-A6-4..	GNMA Pool 675129 5.500% 02/15/38..		09/01/2011..	Paydown.....		30,359	30,359.00	30,511	30,507	.0	(148)	.0	(148)	.0	30,359	.0	.0	.0	1,067	02/15/2038..	1..
36297J-5C-4..	GNMA Pool 713743 4.500% 08/15/39..		09/01/2011..	Paydown.....		489,128	489,128.00	500,577	500,285	.0	(11,157)	.0	(11,157)	.0	489,128	.0	.0	.0	14,111	08/15/2039..	1..
36297J-XR-0..	GNMA Pool 713588 4.500% 07/15/24..		09/01/2011..	Paydown.....		24,017	24,017.00	25,000	24,937	.0	(921)	.0	(921)	.0	24,017	.0	.0	.0	721	07/15/2024..	1..
912810-QL-5..	US Treasury Bond 4.250% 11/15/40..		09/26/2011..	Credit Suisse First Boston..		686,123	550,000.00	700,672	.0	.0	.0	.0	.0	.0	700,672	.0	(14,549)	(14,549)	8,575	11/15/2040..	1..
912810-QQ-4..	US Treasury Bond 4.375% 05/15/41..		09/09/2011..	Various.....		4,478,105	4,020,000.00	4,506,244	.0	.0	(86)	.0	(86)	.0	4,506,159	.0	(28,054)	(28,054)	42,739	05/15/2041..	1..
912810-QS-0..	US Treasury Bond 3.750% 08/15/41..		09/26/2011..	Various.....		3,098,416	2,825,000.00	3,079,152	.0	.0	(28)	.0	(28)	.0	3,079,124	.0	19,292	19,292	6,950	08/15/2041..	1..
912828-LL-2..	US Treasury 3.000% 08/31/16..		08/26/2011..	Various.....		8,506,467	7,725,000.00	8,446,778	.0	.0	(2,488)	.0	(2,488)	.0	8,444,289	.0	62,178	62,178	107,447	08/31/2016..	1..
912828-PM-6..	US Treasury 2.125% 12/31/15..		09/29/2011..	Various.....		8,635,401	8,150,000.00	8,639,318	.0	.0	(5,597)	.0	(5,597)	.0	8,633,721	.0	1,680	1,680	36,018	12/31/2015..	1..
912828-QB-9..	US Treasury 2.000% 03/31/18..		07/07/2011..	JP Morgan Secs.....		2,955,303	2,865,000.00	2,955,550	.0	.0	(1,245)	.0	(1,245)	.0	2,954,305	.0	998	998	22,280	03/31/2018..	1..
912828-QF-0..	US Treasury 3.125% 04/30/16..		09/29/2011..	Various.....		5,153,721	5,000,000.00	5,139,079	.0	.0	(458)	.0	(458)	.0	5,138,621	.0	15,100	15,100	25,608	04/30/2016..	1..
912828-QN-3..	US Treasury 1.750% 05/15/21..		09/14/2011..	Various.....		26,403,137	24,710,000.00	25,476,894	.0	.0	(3,799)	.0	(3,799)	.0	25,473,095	.0	930,042	930,042	197,565	05/15/2021..	1..
912828-QP-8..	US Treasury 2.375% 05/31/16..		09/29/2011..	Various.....		7,106,450	6,900,000.00	6,968,461	.0	.0	(2,448)	.0	(2,448)	.0	6,966,013	.0	140,437	140,437	29,421	05/31/2016..	1..
912828-QQ-6..	US Treasury 1.500% 05/31/18..		07/14/2011..	Various.....		3,698,529	3,670,000.00	3,685,484	.0	.0	(182)	.0	(182)	.0	3,685,302	.0	13,227	13,227	10,226	05/31/2018..	1..
912828-QR-4..	US Treasury 0.625% 06/30/16..		08/02/2011..	Various.....		17,729,840	17,740,000.00	17,730,665	.0	.0	224	.0	224	.0	17,730,889	.0	(1,049)	(1,049)	20,106	06/30/2016..	1..
912828-QU-7..	US Treasury 1.500% 07/15/14..		09/06/2011..	Various.....		1,008,993	1,000,000.00	999,769	.0	.0	.7	.0	.7	.0	999,776	.0	9,217	9,217	710	07/15/2014..	1..
912828-QX-1..	US Treasury 2.250% 07/31/16..		08/31/2011..	Various.....		12,359,846	12,140,000.00	12,266,126	.0	.0	(701)	.0	(701)	.0	12,265,425	.0	94,421	94,421	7,040	07/31/2016..	1..
912828-QY-9..	US Treasury 0.500% 07/31/18..		08/17/2011..	Credit Suisse First Boston..		2,195,716	2,090,000.00	2,191,733	.0	.0	.0	.0	.0	.0	2,191,733	.0	3,984	3,984	2,300	07/31/2018..	1..
912828-RB-8..	US Treasury 2.125% 08/15/14..		09/06/2011..	Various.....		23,458,091	23,335,000.00	23,426,786	.0	.0	(861)	.0	(861)	.0	23,425,925	.0	32,166	32,166	7,527	08/15/2014..	1..
912828-RC-6..	US Treasury 0.125% 08/15/21..		09/20/2011..	Various.....		17,487,346	17,375,000.00	17,337,351	.0	.0	(31)	.0	(31)	.0	17,337,320	.0	150,026	150,026	24,722	08/15/2021..	1..
912828-RD-4..	US Treasury 1.500% 08/31/13..		09/23/2011..	Various.....		24,093,394	24,130,000.00	24,108,429	.0	.0	137	.0	137	.0	24,108,566	.0	(15,172)	(15,172)	1,828	08/31/2013..	1..
912828-RE-2..	US Treasury 1.500% 08/31/18..		09/21/2011..	Various.....		21,573,620	21,460,000.00	21,648,038	.0	.0	(333)	.0	(333)	.0	21,647,704	.0	(74,085)	(74,085)	16,027	08/31/2018..	1..
0599999 - Bonds - U.S. Governments						197,398,925	192,090,422.00	196,094,795	629,256	0	(52,793)	0	(52,793)	0	196,041,586	0	1,357,338	1,357,338	600,728	XXX	XXX

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - All Other Governments																					
833656-AC-5...	SFEF Series 144A 2.375% 03/26/12	F	08/18/2011	UBS Securities LLC		1,314,703	1,300,000.00	1,295,853	1,298,255	0	903	0	903	0	1,299,158	0	15,545	15,545	28,045	03/26/2012	1FE
1099999 - Bonds - All Other Governments																					
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
31283K-FR-4...	FHLMC Giant Pool G11076 6.000% 12/01/11		09/01/2011	Paydown		2,148	2,148.00	2,150	2,145	0	3	0	3	0	2,148	0	0	0	85	12/01/2012	1
3128EW-2M-1...	FHLMC Gold Pool D60780 8.000% 06/01/25		09/01/2011	Paydown		155	155.00	159	158	0	(3)	0	(3)	0	155	0	0	0	8	06/01/2025	1
3128KA-3X-7...	FHLMC Gold Pool M49814 6.000% 06/01/36		09/01/2011	Paydown		199,038	199,038.00	195,117	195,179	0	3,860	0	3,860	0	199,038	0	0	0	7,871	06/01/2036	1
3128KR-7M-0...	FNMA Pool A61800 5.000% 06/01/37		09/01/2011	Paydown		4,284	4,284.00	4,477	4,478	0	(194)	0	(194)	0	4,284	0	0	0	147	06/01/2037	1
3128KV-3A-1...	FHLMC Gold Pool A65293 6.000% 09/01/37		09/01/2011	Paydown		166	166.00	170	170	0	(4)	0	(4)	0	166	0	0	0	7	09/01/2037	1
3128L5-HY-0...	FNMA Pool A72047 5.000% 01/01/38		09/08/2011	JP Morgan Secs		2,634,135	2,448,935.00	2,559,328	2,559,654	0	1,836	0	1,836	0	2,561,490	0	72,645	72,645	95,917	01/01/2038	1
3128L5-HY-0...	FNMA Pool A72047 5.000% 01/01/38		09/01/2011	Paydown		121,438	121,438.00	126,913	126,929	0	(5,490)	0	(5,490)	0	121,438	0	0	0	4,090	01/01/2038	1
3128LX-JR-2...	FHLMC Gold Pool G02072 5.500% 03/01/36		09/01/2011	Paydown		8,592	8,592.00	8,260	8,269	0	323	0	323	0	8,592	0	0	0	310	03/01/2036	1
3128M6-AQ-1...	FHLMC Pool G04215 5.500% 05/01/38		09/30/2011	JP Morgan Secs		839,168	776,782.00	756,635	757,192	0	(242)	0	(242)	0	756,950	0	82,218	82,218	33,466	05/01/2038	1
3128M6-AQ-1...	FHLMC Pool G04215 5.500% 05/01/38		09/01/2011	Paydown		185,602	185,602.00	180,788	180,921	0	4,681	0	4,681	0	185,602	0	0	0	6,866	05/01/2038	1
3128M7-F8-4...	FHLMC Gold Pool G05291 5.000% 12/01/34		09/01/2011	Paydown		141,618	141,618.00	145,114	145,020	0	(3,402)	0	(3,402)	0	141,618	0	0	0	4,697	12/01/2034	1
3128QS-D2-9...	FHLMC Pool 161921 5.383% 05/01/37		09/01/2011	Paydown		121,937	121,937.00	128,034	131,719	0	(9,782)	0	(9,782)	0	121,937	0	0	0	(2,044)	05/01/2037	1
3128QS-PN-0...	FHLMC Pool 162229 6.251% 09/01/37		09/01/2011	Paydown		239,925	239,925.00	254,470	253,966	0	(14,041)	0	(14,041)	0	239,925	0	0	0	9,841	09/01/2037	1
312927-2Y-1...	FHLMC Gold Pool A81691 6.000% 09/01/38		09/01/2011	Paydown		8,215	8,215.00	8,429	8,423	0	(209)	0	(209)	0	8,215	0	0	0	319	09/01/2038	1
312927-3E-4...	FHLMC Gold Pool A81697 6.000% 09/01/38		09/01/2011	Paydown		6,738	6,738.00	6,921	6,916	0	(178)	0	(178)	0	6,738	0	0	0	265	09/01/2038	1
312927-A2-2...	FHLMC Gold Pool A80925 6.000% 08/01/38		09/01/2011	Paydown		170	170.00	174	174	0	(4)	0	(4)	0	170	0	0	0	7	08/01/2038	1
312927-BG-0...	FHLMC Gold Pool A80939 6.000% 08/01/38		09/01/2011	Paydown		110	110.00	113	113	0	(3)	0	(3)	0	110	0	0	0	4	08/01/2038	1
312927-CS-3...	FHLMC Gold Pool A80981 6.000% 08/01/38		09/01/2011	Paydown		4,210	4,210.00	4,323	4,320	0	(110)	0	(110)	0	4,210	0	0	0	162	08/01/2038	1
312927-N4-4...	FHLMC Gold Pool A81311 6.000% 08/01/38		09/01/2011	Paydown		4,502	4,502.00	4,623	4,619	0	(117)	0	(117)	0	4,502	0	0	0	166	08/01/2038	1
312926-ZF-6...	FHLMC Gold Pool C00742 6.500% 04/01/29		09/01/2011	Paydown		9,047	9,047.00	8,960	8,966	0	82	0	82	0	9,047	0	0	0	398	04/01/2029	1
312937-BL-8...	FHLMC Gold Pool A89943 5.000% 11/01/39		09/01/2011	Paydown		18,181	18,181.00	18,931	18,919	0	(738)	0	(738)	0	18,181	0	0	0	603	11/01/2039	1
312940-EP-0...	FHLMC Gold Pool A91942 4.500% 04/01/40		08/25/2011	Barclays Bank		4,439,194	4,188,536.00	4,295,213	4,293,857	0	(688)	0	(688)	0	4,293,169	0	146,025	146,025	131,939	04/01/2040	1
312940-EP-0...	FHLMC Gold Pool A91942 4.500% 04/01/40		09/01/2011	Paydown		83,138	83,138.00	85,256	85,229	0	(2,091)	0	(2,091)	0	83,138	0	0	0	18,209	04/01/2040	1
312941-3E-5...	FHLMC Gold Pool A93497 4.500% 08/01/40		09/01/2011	Paydown		29,413	29,413.00	30,755	30,744	0	(1,331)	0	(1,331)	0	29,413	0	0	0	890	08/01/2040	1
312941-HS-9...	FHLMC Gold Pool A92941 4.500% 07/01/40		09/01/2011	Paydown		21,146	21,146.00	22,055	22,045	0	(899)	0	(899)	0	21,146	0	0	0	684	07/01/2040	1
312941-WJ-2...	FHLMC Gold Pool A93349 4.500% 08/01/40		09/15/2011	Morgan Stanley		1,421,240	1,344,260.00	1,400,971	1,400,592	0	(386)	0	(386)	0	1,400,207	0	21,033	21,033	47,385	08/01/2040	1

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

SCHEDULE D - PART 4

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1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
312941-WJ-2	FHLMC Gold Pool A93349 4.500% 08/01/40		09/01/2011	Paydown		43,596	43,596.00	45,436	45,423	.0	(1,827)	.0	(1,827)	.0	43,596	.0	.0	.0	1,259	08/01/2040	1
312942-LR-4	FHLMC Gold Pool A93936 4.500% 09/01/40		08/25/2011	JP Morgan Secs		2,099,853	1,990,971.00	2,078,388	2,077,787	.0	(65)	.0	(65)	.0	2,077,722	.0	22,131	22,131	62,716	09/01/2040	1
312942-LR-4	FHLMC Gold Pool A93936 4.500% 09/01/40		09/01/2011	Paydown		39,214	39,214.00	40,936	40,924	.0	(1,710)	.0	(1,710)	.0	39,214	.0	.0	.0	8,687	09/01/2040	1
31294K-HR-9	FHLMC Gold Pool E01140 6.000% 05/01/17		09/01/2011	Paydown		4,449	4,449.00	4,502	4,479	.0	(31)	.0	(31)	.0	4,449	.0	.0	.0	175	05/01/2017	1
31294K-P4-1	FHLMC Gold Pool E01343 5.000% 04/01/18		09/01/2011	Paydown		70,977	70,977.00	71,066	71,008	.0	(30)	.0	(30)	.0	70,977	.0	.0	.0	2,360	04/01/2018	1
31326E-7K-0	FHLMC Pool 001798 4.500% 07/01/41		08/05/2011	Credit Suisse First Boston		2,363,777	2,242,041.00	2,325,241	.0	.0	.0	.0	.0	.0	2,325,241	.0	38,536	38,536	2,803	07/01/2041	1
31326E-P9-5	FHLMC Pool 001348 4.500% 06/01/41		08/04/2011	Credit Suisse First Boston		1,310,557	1,243,063.00	1,288,901	.0	.0	.0	.0	.0	.0	1,288,901	.0	21,656	21,656	1,554	06/01/2041	1
31326F-UJ-4	FHLMC Pool 002385 4.500% 07/01/41		09/01/2011	Paydown		11,690	11,690.00	12,385	.0	.0	(695)	.0	(695)	.0	11,690	.0	.0	.0	44	07/01/2041	1
31326F-UL-9	FHLMC Pool 002387 4.500% 08/01/41		09/01/2011	Paydown		8,358	8,358.00	8,855	.0	.0	(497)	.0	(497)	.0	8,358	.0	.0	.0	31	08/01/2041	1
31326F-VU-8	FHLMC Pool 002427 4.500% 08/01/41		08/05/2011	Credit Suisse First Boston		1,447,675	1,373,424.00	1,424,391	.0	.0	.0	.0	.0	.0	1,424,391	.0	23,284	23,284	1,717	08/01/2041	1
31326F-X4-4	FHLMC Pool 002499 4.500% 08/01/41		09/01/2011	Paydown		1,306	1,306.00	1,384	.0	.0	(78)	.0	(78)	.0	1,306	.0	.0	.0	5	08/01/2041	1
31326F-YY-7	FHLMC Pool 002527 4.500% 08/01/41		08/05/2011	Credit Suisse First Boston		2,053,501	1,948,177.00	2,021,082	.0	.0	.0	.0	.0	.0	2,021,082	.0	32,419	32,419	2,435	08/01/2041	1
31359V-XU-2	FNMA Series 1999-13 Class PH 6.000% 04		09/01/2011	Paydown		69,124	69,124.00	70,107	70,055	.0	(932)	.0	(932)	.0	69,124	.0	.0	.0	2,826	03/25/2029	1
313615-SS-6	FNMA Pool 050929 6.500% 11/01/23		09/01/2011	Paydown		308	308.00	279	285	.0	23	.0	23	.0	308	.0	.0	.0	14	11/01/2023	1
31371K-F5-5	FNMA Pool 254088 5.500% 12/01/16		09/01/2011	Paydown		4,315	4,315.00	4,346	4,328	.0	(13)	.0	(13)	.0	4,315	.0	.0	.0	157	12/01/2016	1
31371K-RU-7	FNMA Pool 254399 6.500% 06/01/12		09/01/2011	Paydown		5,889	5,889.00	6,109	5,927	.0	(37)	.0	(37)	.0	5,889	.0	.0	.0	255	06/01/2012	1
31371N-QZ-1	FNMA Pool 257072 5.500% 02/01/38		08/25/2011	Goldman Sachs		785,044	722,919.00	781,373	780,150	.0	(206)	.0	(206)	.0	779,944	.0	5,101	5,101	29,710	02/01/2038	1
31371N-QZ-1	FNMA Pool 257072 5.500% 02/01/38		08/01/2011	Paydown		32,385	32,385.00	35,003	34,949	.0	(2,564)	.0	(2,564)	.0	32,385	.0	.0	.0	1,113	02/01/2038	1
31374T-D2-2	FNMA Pool 323321 6.500% 10/01/13		09/01/2011	Paydown		1,571	1,571.00	1,644	1,600	.0	(29)	.0	(29)	.0	1,571	.0	.0	.0	68	10/01/2013	1
31376K-TT-3	FNMA Pool 357962 5.500% 09/01/35		09/01/2011	Paydown		12,014	12,014.00	12,008	12,007	.0	7	.0	7	.0	12,014	.0	.0	.0	444	09/01/2035	1
31380N-WU-4	FNMA Pool 445359 5.500% 01/01/14		09/01/2011	Paydown		886	886.00	865	876	.0	10	.0	10	.0	886	.0	.0	.0	32	01/01/2014	1
31380X-L6-7	FNMA Pool 453149 5.500% 09/01/13		09/01/2011	Paydown		1,894	1,894.00	1,859	1,871	.0	23	.0	23	.0	1,894	.0	.0	.0	69	09/01/2013	1
31380Y-YR-5	FNMA Pool 454420 5.500% 12/01/13		09/01/2011	Paydown		681	681.00	669	675	.0	7	.0	7	.0	681	.0	.0	.0	25	12/01/2013	1
31381B-6T-1	FNMA Pool 456382 5.500% 12/01/13		09/01/2011	Paydown		1,991	1,991.00	1,943	1,965	.0	26	.0	26	.0	1,991	.0	.0	.0	73	12/01/2013	1
31381G-RA-8	FNMA Pool 460481 6.280% 08/01/11		07/01/2011	Paydown		84,911	84,911.00	94,344	81,108	.0	3,803	.0	3,803	.0	84,911	.0	.0	.0	4,508	08/01/2011	1
31382T-J4-2	FNMA Pool 491783 6.000% 03/01/14		09/01/2011	Paydown		1,141	1,141.00	1,096	1,121	.0	19	.0	19	.0	1,141	.0	.0	.0	47	03/01/2014	1
31384W-K7-4	FNMA Pool 535918 6.500% 05/01/30		09/01/2011	Paydown		3,525	3,525.00	3,505	3,505	.0	20	.0	20	.0	3,525	.0	.0	.0	152	05/01/2030	1
31385X-GA-9	FNMA Pool 555593 6.000% 02/01/18		09/01/2011	Paydown		2,923	2,923.00	3,041	3,000	.0	(77)	.0	(77)	.0	2,923	.0	.0	.0	116	02/01/2018	1
31386X-RX-6	FNMA Pool 576602 6.000% 12/01/13		09/01/2011	Paydown		7,092	7,092.00	7,087	7,073	.0	19	.0	19	.0	7,092	.0	.0	.0	276	12/01/2013	1
31387W-B4-0	FNMA Pool 587859 5.500% 12/01/16		09/01/2011	Paydown		623	623.00	627	625	.0	(2)	.0	(2)	.0	623	.0	.0	.0	23	12/01/2016	1

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
31388D-A5-7	FNMA Pool 601328 6.000% 09/01/16		09/01/2011	Paydown		.552	.552.00	.558	.556	.0	.(4)	.0	.(4)	.0	.552	.0	.0	.0	.22	09/01/2016	1
3138AA-3F-6	FNMA Pool AH8897 4.500% 03/01/41		08/04/2011	Credit Suisse First Boston		1,784,111	1,690,350.00	1,750,040	.0	.0	.(115)	.0	.(115)	.0	1,749,925	.0	.34,186	.34,186	.8,452	03/01/2041	1
3138AA-3F-6	FNMA Pool AH8897 4.500% 03/01/41		08/01/2011	Paydown		.14,204	.14,204.00	.14,705	.0	.0	.(502)	.0	.(502)	.0	.14,204	.0	.0	.0	.53	03/01/2041	1
3138AA-5Q-0	FNMA Pool AH8954 4.000% 04/01/41		09/13/2011	Various		.663,182	.635,612.00	.652,843	.0	.0	.(45)	.0	.(45)	.0	.652,798	.0	.10,384	.10,384	.2,448	04/01/2041	1
3138AA-5Q-0	FNMA Pool AH8954 4.000% 04/01/41		09/01/2011	Paydown		.1,427	.1,427.00	.1,465	.0	.0	.(39)	.0	.(39)	.0	.1,427	.0	.0	.0	.5	04/01/2041	1
3138AF-B5-8	FNMA Pool A01859 4.500% 05/01/41		08/04/2011	Credit Suisse First Boston		.8,134,079	.7,703,182.00	.7,973,687	.0	.0	.(1,067)	.0	.(1,067)	.0	.7,972,619	.0	.161,459	.161,459	.68,299	05/01/2041	1
3138AF-B5-8	FNMA Pool A01859 4.500% 05/01/41		08/01/2011	Paydown		.44,533	.44,533.00	.46,096	.0	.0	.(1,563)	.0	.(1,563)	.0	.44,533	.0	.0	.0	.338	05/01/2041	1
3138AJ-K5-0	FNMA Pool A14815 4.500% 06/01/41		08/10/2011	Wells Fargo Bank		.4,977,451	.4,680,530.00	.4,845,080	.0	.0	.(738)	.0	.(738)	.0	.4,844,342	.0	.133,109	.133,109	.24,573	06/01/2041	1
3138AJ-K5-0	FNMA Pool A14815 4.500% 06/01/41		09/01/2011	Paydown		.55,931	.55,931.00	.57,897	.0	.0	.(1,966)	.0	.(1,966)	.0	.55,931	.0	.0	.0	.17,903	06/01/2041	1
3138AJ-NB-4	FNMA Pool A14885 4.000% 06/01/41		08/30/2011	BNP Paribas		.4,131,027	.3,973,336.00	.4,116,127	.0	.0	.0	.0	.0	.0	.4,116,127	.0	.14,900	.14,900	.5,298	06/01/2041	1
3138AK-XR-5	FNMA Pool A16087 4.500% 06/01/41		08/10/2011	Wells Fargo Bank		.3,125,637	.2,939,182.00	.3,042,054	.0	.0	.(461)	.0	.(461)	.0	.3,041,593	.0	.84,044	.84,044	.15,431	06/01/2041	1
3138AK-XR-5	FNMA Pool A16087 4.500% 06/01/41		09/01/2011	Paydown		.8,374	.8,374.00	.8,667	.0	.0	.(293)	.0	.(293)	.0	.8,374	.0	.0	.0	.11,069	06/01/2041	1
3138AM-UC-7	FNMA Pool A17778 4.000% 07/01/41		08/23/2011	Various		.7,092,140	.6,822,553.00	.6,852,401	.0	.0	.(88)	.0	.(88)	.0	.6,852,313	.0	.239,827	.239,827	.16,685	07/01/2041	1
3138AM-UX-1	FNMA Pool A17797 4.000% 07/01/41		08/30/2011	Various		.4,685,327	.4,501,826.00	.4,521,521	.0	.0	.(75)	.0	.(75)	.0	.4,521,447	.0	.163,880	.163,880	.10,066	07/01/2041	1
3138AM-UX-1	FNMA Pool A17797 4.000% 07/01/41		09/01/2011	Paydown		.5,393	.5,393.00	.5,417	.0	.0	.(24)	.0	.(24)	.0	.5,393	.0	.0	.0	.5,648	07/01/2041	1
3138AM-YR-0	FNMA Pool A17919 4.000% 08/01/41		08/23/2011	JP Morgan Secs		.4,413,410	.4,237,297.00	.4,351,505	.0	.0	.(235)	.0	.(235)	.0	.4,351,270	.0	.62,139	.62,139	.11,770	08/01/2041	1
3138AM-YS-8	FNMA Pool A17920 4.000% 08/01/41		08/08/2011	JP Morgan Secs		.1,798,305	.1,742,689.00	.1,749,769	.0	.0	.0	.0	.0	.0	.1,749,769	.0	.48,537	.48,537	.1,936	08/01/2041	1
3138AN-CY-7	FNMA Pool A18186 4.000% 08/01/41		08/08/2011	JP Morgan Secs		.5,345,189	.5,179,878.00	.5,352,271	.0	.0	.0	.0	.0	.0	.5,352,271	.0	.(7,082)	.(7,082)	.5,755	08/01/2041	1
31390U-F5-0	FNMA Pool 656388 5.500% 08/01/17		09/01/2011	Paydown		.5,967	.5,967.00	.6,046	.6,015	.0	.(48)	.0	.(48)	.0	.5,967	.0	.0	.0	.221	08/01/2017	1
31394E-DP-0	FNMA Series 2005-58 Class MA 5.500% 07		09/01/2011	Paydown		.32,813	.32,813.00	.34,003	.33,789	.0	.(976)	.0	.(976)	.0	.32,813	.0	.0	.0	.1,180	01/25/2034	1
31395P-LL-4	FHLMC Series 2953 Class AC 5.000% 01/1		09/01/2011	Paydown		.271,515	.271,515.00	.284,582	.280,796	.0	.(9,281)	.0	.(9,281)	.0	.271,515	.0	.0	.0	.9,168	03/15/2013	1
31396Y-R3-8	FNMA Remics Series 2008-26 Class A 4.5		09/01/2011	Paydown		.294,381	.294,381.00	.311,584	.308,887	.0	.(14,506)	.0	.(14,506)	.0	.294,381	.0	.0	.0	.8,844	05/25/2016	1
31401B-P6-6	FNMA Pool 703445 5.000% 05/01/18		09/01/2011	Paydown		.32,176	.32,176.00	.32,601	.32,452	.0	.(276)	.0	.(276)	.0	.32,176	.0	.0	.0	.1,061	05/01/2018	1
31402C-PL-0	FNMA Pool 725027 5.000% 11/01/33		09/01/2011	Paydown		.263,806	.263,806.00	.258,406	.258,541	.0	.5,265	.0	.5,265	.0	.263,806	.0	.0	.0	.8,812	11/01/2033	1
31402C-U6-7	FNMA Pool 725205 5.000% 03/01/34		09/01/2011	Paydown		.198	.198.00	.207	.207	.0	.(9)	.0	.(9)	.0	.198	.0	.0	.0	.7	03/01/2034	1
31402F-CV-5	FNMA Pool 727384 4.500% 09/01/18		09/01/2011	Paydown		.57,133	.57,133.00	.56,690	.56,769	.0	.364	.0	.364	.0	.57,133	.0	.0	.0	.1,721	09/01/2018	1
314020-6K-2	FNMA Pool 735374 4.500% 04/01/20		09/01/2011	Paydown		.295,110	.295,110.00	.311,571	.0	.0	.(16,462)	.0	.(16,462)	.0	.295,110	.0	.0	.0	.6,642	04/01/2020	1
314020-NN-7	FNMA Pool 734897 4.500% 08/01/18		09/01/2011	Paydown		.14,551	.14,551.00	.14,351	.14,392	.0	.159	.0	.159	.0	.14,551	.0	.0	.0	.447	08/01/2018	1
31402R-CV-9	FNMA Pool 735484 5.000% 05/01/35		08/25/2011	Credit Suisse First Boston		.5,476,999	.5,088,966.00	.5,480,578	.0	.0	.(1,308)	.0	.(1,308)	.0	.5,479,270	.0	.(2,270)	.(2,270)	.8,482	05/01/2035	1
31402R-CV-9	FNMA Pool 735484 5.000% 05/01/35		09/01/2011	Paydown		.112,936	.112,936.00	.121,627	.0	.0	.(8,691)	.0	.(8,691)	.0	.112,936	.0	.0	.0	.21,675	05/01/2035	1

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identi- fication	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Desig- nation or Market Indicator (a)
31402R-FS-3...	FNMA Pool 735577 7.500% 04/01/17		09/01/2011	Paydown		13,607	13,607.00	14,408	14,177	.0	(570)	.0	(570)	.0	13,607	.0	.0	.0	.675	04/01/2017	1
31403C-6L-0...	FNMA Pool 745275 5.000% 02/01/36		09/01/2011	Paydown		21,414	21,414.00	21,928	21,925	.0	(511)	.0	(511)	.0	21,414	.0	.0	.0	.717	02/01/2036	1
31403D-CZ-0...	FNMA Pool 745388 5.000% 11/01/18		09/01/2011	Paydown		66,085	66,085.00	64,742	64,962	.0	1,122	.0	1,122	.0	66,085	.0	.0	.0	2,211	11/01/2018	1
31408A-J7-6...	FNMA Pool 845486 6.000% 06/01/21		09/01/2011	Paydown		55,973	55,973.00	56,360	56,333	.0	(360)	.0	(360)	.0	55,973	.0	.0	.0	2,234	06/01/2021	1
31410F-2Q-7...	FNMA Pool 888283 5.000% 08/01/34		08/25/2011	Credit Suisse First Boston		337,798	313,729.00	313,165	313,152	.0	.8	.0	.8	.0	313,160	.0	24,637	24,637	10,981	08/01/2034	1
31410F-2Q-7...	FNMA Pool 888283 5.000% 08/01/34		09/01/2011	Paydown		55,807	55,807.00	55,707	55,705	.0	103	.0	103	.0	55,807	.0	.0	.0	1,903	08/01/2034	1
31410F-YE-9...	FNMA Pool 888209 5.500% 05/01/36		09/01/2011	Paydown		4,822	4,822.00	4,707	4,709	.0	113	.0	113	.0	4,822	.0	.0	.0	.177	05/01/2036	1
31410G-KD-4...	FNMA Pool 888692 5.500% 09/01/36		09/01/2011	Paydown		18,158	18,158.00	18,106	18,105	.0	53	.0	53	.0	18,158	.0	.0	.0	.668	09/01/2036	1
31410K-3J-1...	FNMA Pool 890101 6.000% 02/01/39		09/01/2011	Paydown		103,865	103,865.00	107,970	107,882	.0	(4,017)	.0	(4,017)	.0	103,865	.0	.0	.0	4,172	02/01/2039	1
31410K-QJ-6...	FNMA Pool 889757 5.000% 02/01/38		09/01/2011	Paydown		32,891	32,891.00	33,924	33,900	.0	(1,009)	.0	(1,009)	.0	32,891	.0	.0	.0	1,100	02/01/2038	1
31410Q-NP-2...	FNMA Pool 894198 6.000% 10/01/36		09/01/2011	Paydown		3,275	3,275.00	3,363	3,360	.0	(84)	.0	(84)	.0	3,275	.0	.0	.0	128	10/01/2036	1
31411J-X3-5...	FNMA Pool 909798 5.500% 03/01/37		09/01/2011	Paydown		92,923	92,923.00	98,687	98,563	.0	(5,641)	.0	(5,641)	.0	92,923	.0	.0	.0	3,509	03/01/2037	1
31412W-FW-3...	FNMA Pool 929081 5.500% 01/01/38		08/23/2011	JP Morgan Secs		1,701,118	1,558,202.00	1,684,197	1,681,470	.0	1,936	.0	1,936	.0	1,683,406	.0	17,712	17,712	59,991	01/01/2038	1
31412W-FW-3...	FNMA Pool 929081 5.500% 01/01/38		09/01/2011	Paydown		125,792	125,792.00	135,964	135,743	.0	(9,951)	.0	(9,951)	.0	125,792	.0	.0	.0	11,901	01/01/2038	1
31412W-SA-7...	FNMA Pool 929413 5.500% 05/01/38		09/30/2011	JP Morgan Secs		5,179,603	4,778,301.00	5,168,777	.0	.0	(4,853)	.0	(4,853)	.0	5,163,924	.0	15,679	15,679	96,362	05/01/2038	1
31412W-SA-7...	FNMA Pool 929413 5.500% 05/01/38		09/01/2011	Paydown		467,027	467,027.00	505,192	.0	.0	(38,165)	.0	(38,165)	.0	467,027	.0	.0	.0	6,455	05/01/2038	1
31412Q-N6-2...	FNMA Pool 932013 5.500% 09/01/39		08/25/2011	Goldman Sachs		1,539,676	1,417,831.00	1,494,925	1,494,201	.0	(133)	.0	(133)	.0	1,494,068	.0	45,608	45,608	58,269	09/01/2039	1
31412Q-N6-2...	FNMA Pool 932013 5.500% 09/01/39		09/01/2011	Paydown		136,491	136,491.00	143,913	143,843	.0	(7,352)	.0	(7,352)	.0	136,491	.0	.0	.0	5,019	09/01/2039	1
31412T-Q2-2...	FNMA Pool 934373 6.000% 08/01/38		09/01/2011	Paydown		28,076	28,076.00	28,620	28,604	.0	(527)	.0	(527)	.0	28,076	.0	.0	.0	1,206	08/01/2038	1
31413E-CY-9...	FNMA Pool 942987 6.000% 09/01/37		08/25/2011	Goldman Sachs		2,293,282	2,084,210.00	2,269,672	.0	.0	(2,227)	.0	(2,227)	.0	2,267,445	.0	25,838	25,838	51,758	09/01/2037	1
31413E-CY-9...	FNMA Pool 942987 6.000% 09/01/37		08/01/2011	Paydown		137,882	137,882.00	150,151	.0	.0	(12,269)	.0	(12,269)	.0	137,882	.0	.0	.0	2,425	09/01/2037	1
31414A-M2-5...	FNMA Pool 096037 6.000% 12/01/37		08/25/2011	Goldman Sachs		2,165,491	1,968,069.00	2,143,196	.0	.0	(2,073)	.0	(2,073)	.0	2,141,123	.0	24,368	24,368	48,874	12/01/2037	1
31414A-M2-5...	FNMA Pool 096037 6.000% 12/01/37		08/01/2011	Paydown		106,083	106,083.00	115,523	.0	.0	(9,440)	.0	(9,440)	.0	106,083	.0	.0	.0	1,897	12/01/2037	1
31414J-KN-2...	FNMA Pool 967501 5.500% 01/01/38		08/25/2011	Goldman Sachs		349,496	321,838.00	347,862	347,122	.0	(283)	.0	(283)	.0	346,840	.0	2,657	2,657	13,227	01/01/2038	1
31414J-KN-2...	FNMA Pool 967501 5.500% 01/01/38		08/01/2011	Paydown		26,416	26,416.00	28,552	28,491	.0	(2,075)	.0	(2,075)	.0	26,416	.0	.0	.0	900	01/01/2038	1
31414T-RY-9...	FNMA Pool 975803 6.000% 04/01/38		09/01/2011	Paydown		219,767	219,767.00	224,025	223,901	.0	(4,134)	.0	(4,134)	.0	219,767	.0	.0	.0	9,301	04/01/2038	1
31415T-FQ-8...	FNMA Pool 988575 5.500% 08/01/38		09/01/2011	Paydown		218,578	218,578.00	225,648	225,470	.0	(6,892)	.0	(6,892)	.0	218,578	.0	.0	.0	8,103	08/01/2038	1
31416B-RY-6...	FNMA Pool 995203 5.000% 07/01/35		09/01/2011	Paydown		119,253	119,253.00	123,669	123,570	.0	(4,317)	.0	(4,317)	.0	119,253	.0	.0	.0	3,992	07/01/2035	1
31416B-XR-4...	FNMA Pool 995388 5.500% 08/01/37		09/01/2011	Paydown		30,874	30,874.00	31,962	31,934	.0	(1,060)	.0	(1,060)	.0	30,874	.0	.0	.0	1,140	08/01/2037	1
31416C-EZ-5...	FNMA Pool 995752 4.500% 05/01/39		09/01/2011	Paydown		38,951	38,951.00	39,625	39,604	.0	(653)	.0	(653)	.0	38,951	.0	.0	.0	1,173	05/01/2039	1
31416P-LA-3...	FNMA Pool AA5720 4.500% 04/01/39		09/01/2011	Paydown		43,585	43,585.00	44,504	44,485	.0	(901)	.0	(901)	.0	43,585	.0	.0	.0	1,422	04/01/2039	1

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
31416W-H3-9...	FNMA Pool AB1149 5.000% 06/01/40		09/08/2011	Barclays Bank		2,362,311	2,190,494.00	2,322,608	.0	.0	(1,223)	.0	(1,223)	.0	2,321,385	.0	.40,926	.40,926	.40,159	06/01/2040	1
31416W-H3-9...	FNMA Pool AB1149 5.000% 06/01/40		09/01/2011	Paydown		.87,037	.87,037.00	.92,286	.0	.0	(5,249)	.0	(5,249)	.0	.87,037	.0	.0	.0	1,112	06/01/2040	1
31416Y-YN-2...	FNMA Pool AB3416 4.000% 08/01/41		09/01/2011	Paydown		.8,553	.8,553.00	.8,786	.0	.0	(233)	.0	(233)	.0	.8,553	.0	.0	.0	.29	08/01/2041	1
31417N-BY-6...	FNMA Pool AC3654 5.000% 10/01/39		09/01/2011	Paydown		.39,706	.39,706.00	.41,257	.41,229	.0	(1,523)	.0	(1,523)	.0	.39,706	.0	.0	.0	1,351	10/01/2039	1
31417N-MK-4...	FNMA Pool AC3961 5.000% 09/01/39		09/01/2011	Paydown		.6,572	.6,572.00	.6,798	.6,795	.0	(223)	.0	(223)	.0	.6,572	.0	.0	.0	.219	09/01/2039	1
31417Q-NG-5...	FNMA Pool AC4890 5.000% 10/01/39		09/01/2011	Paydown		.110,752	.110,752.00	.114,559	.114,516	.0	(3,764)	.0	(3,764)	.0	.110,752	.0	.0	.0	3,692	10/01/2039	1
31418T-J2-4...	FNMA Pool AD7077 4.500% 05/01/25		09/01/2011	Paydown		.336,320	.336,320.00	.355,807	.355,585	.0	(19,265)	.0	(19,265)	.0	.336,320	.0	.0	.0	10,061	05/01/2025	1
31418U-2K-9...	FNMA Pool AD6939 4.500% 06/01/25		09/01/2011	Paydown		.83,315	.83,315.00	.88,783	.88,633	.0	(5,317)	.0	(5,317)	.0	.83,315	.0	.0	.0	2,491	06/01/2025	1
31418U-V9-2...	FNMA Pool AD7591 4.500% 07/01/40		09/01/2011	Paydown		.32,819	.32,819.00	.34,439	.34,423	.0	(1,604)	.0	(1,604)	.0	.32,819	.0	.0	.0	1,056	07/01/2040	1
31418V-NH-1...	FNMA Pool AE0828 3.500% 07/01/40		09/01/2011	Paydown		.31,014	.31,014.00	.32,506	.32,491	.0	(1,477)	.0	(1,477)	.0	.31,014	.0	.0	.0	.964	07/01/2040	1
31419A-4N-4...	FNMA Pool AE0271 5.000% 02/01/41		09/01/2011	Paydown		.8,512	.8,512.00	.8,529	.0	.0	(17)	.0	(17)	.0	.8,512	.0	.0	.0	.25	02/01/2041	1
31419A-JR-9...	FNMA Pool AE0271 5.000% 08/01/40		09/08/2011	Barclays Bank		2,746,502	2,546,742.00	2,700,342	.0	.0	(1,411)	.0	(1,411)	.0	2,698,931	.0	.47,570	.47,570	.46,690	08/01/2040	1
31419A-JR-9...	FNMA Pool AE0271 5.000% 08/01/40		09/01/2011	Paydown		.100,426	.100,426.00	.106,483	.0	.0	(6,057)	.0	(6,057)	.0	.100,426	.0	.0	.0	1,337	08/01/2040	1
31419B-C2-9...	FNMA Pool AE0988 4.000% 09/01/25		09/01/2011	Paydown		.50,392	.50,392.00	.52,526	.0	.0	(2,134)	.0	(2,134)	.0	.50,392	.0	.0	.0	.255	09/01/2025	1
31419F-VA-1...	FNMA Pool AE5108 4.000% 10/01/40		09/01/2011	Paydown		.8,135	.8,135.00	.8,427	.8,425	.0	(291)	.0	(291)	.0	.8,135	.0	.0	.0	.217	10/01/2040	1
31419F-VT-0...	FNMA Pool AE5125 4.000% 10/01/40		09/01/2011	Paydown		.34,291	.34,291.00	.35,523	.35,517	.0	(1,226)	.0	(1,226)	.0	.34,291	.0	.0	.0	.975	10/01/2040	1
31419F-VW-3...	FNMA Pool AE5128 4.000% 10/01/40		09/01/2011	Paydown		.25,611	.25,611.00	.26,531	.26,526	.0	(915)	.0	(915)	.0	.25,611	.0	.0	.0	.704	10/01/2040	1
31419F-WH-5...	FNMA Pool AE5147 4.000% 11/01/40		09/01/2011	Paydown		.134,269	.134,269.00	.139,157	.139,132	.0	(4,863)	.0	(4,863)	.0	.134,269	.0	.0	.0	3,580	11/01/2040	1
31419F-WK-8...	FNMA Pool AE5149 4.000% 10/01/40		09/01/2011	Paydown		.56,101	.56,101.00	.58,143	.58,133	.0	(2,032)	.0	(2,032)	.0	.56,101	.0	.0	.0	1,725	10/01/2040	1
31419G-B9-4...	FNMA Pool AE5463 4.000% 10/01/40		09/01/2011	Paydown		.179,621	.179,621.00	.186,115	.186,111	.0	(6,490)	.0	(6,490)	.0	.179,621	.0	.0	.0	4,813	10/01/2040	1
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						96,328,954	91,286,599.00	94,969,811	20,962,589	0	(268,422)	0	(268,422)	0	94,675,799	0	1,653,155	1,653,155	1,293,334	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
00110A-AB-0...	AEP Texas Central Transition Series 2006 Alcoa Inc 5.870%		07/01/2011	Paydown		.208,494	.208,494.00	.221,297	.217,349	.0	(8,855)	.0	(8,855)	.0	.208,494	.0	.0	.0	.10,383	07/01/2013	1FE
013817-AQ-4...	02/23/22 Alcoa Inc 6.150%		07/19/2011	JP Morgan Secs		.447,194	.425,000.00	.426,653	.0	.0	(29)	.0	(29)	.0	.426,624	.0	.20,569	.20,569	.22,799	02/23/2022	2FE
013817-AU-5...	08/15/20 Americredit Auto Receivables Series 2010		07/20/2011	Various		.1,521,912	1,415,000.00	.1,496,114	.0	.0	(2,018)	.0	(2,018)	.0	.1,494,096	.0	.27,816	.27,816	.49,800	08/15/2020	2FE
03064E-AB-2...	Americredit Automobile Receiva Series 20		09/08/2011	Paydown		.356,456	.356,456.00	.356,439	.356,447	.0	.9	.0	.9	.0	.356,456	.0	.0	.0	2,898	10/08/2013	1FE
03064W-AB-4...	Anadarko Petroleum Corp 5.950% 09/15/11		09/08/2011	Paydown		.236,945	.236,945.00	.236,935	.0	.0	.10	.0	.10	.0	.236,945	.0	.0	.0	1,122	06/09/2014	1FE
032511-AX-5...	BP Ami Leasing Inc Series 144A 5.523%		08/08/2011	Various		.2,256,869	1,970,000.00	.1,966,483	.1,967,454	.0	.232	.0	.232	.0	.1,967,687	.0	.289,183	.289,183	.105,859	09/15/2016	2FE
05569A-AB-5...	Bank of America Commercial Mtg Series 20		09/26/2011	Deutsche Bank Securities		.226,756	.200,000.00	.190,500	.190,888	.0	.636	.0	.636	.0	.191,524	.0	.35,232	.35,232	.9,849	05/08/2019	1FE
05947U-ES-3...	Bank Of America Commerical Mor Series 20		09/01/2011	Paydown		.224,627	.224,627.00	.235,542	.225,487	.0	(.860)	.0	(.860)	.0	.224,627	.0	.0	.0	.9,320	01/11/2012	1Z*
05950V-AE-0...			07/19/2011	Morgan Stanley		.2,161,797	2,000,000.00	.2,100,781	.2,099,349	.0	(9,902)	.0	(9,902)	.0	.2,089,447	.0	.72,350	.72,350	.68,735	10/10/2016	3Z*

STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY

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										11	12	13	14	15							
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06051G-EA-3...	Bank of America Corp 6.500% 08/01/16...		07/07/2011...	JP Morgan Secs...		1,117,590	1,000,000.00	1,083,040	1,071,582	0	(5,981)	0	(5,981)	0	1,065,601	0	51,989	51,989	61,569	08/01/2016...	1FE...
06051G-EB-1...	Bank of America Corp 4.500% 04/01/15...		07/07/2011...	UBS Securities LLC		391,684	375,000.00	377,959	377,622	0	(302)	0	(302)	0	377,320	0	14,364	14,364	13,172	04/01/2015...	1FE...
06051G-EE-5...	Bank of America Corp 5.875% 01/05/21...		07/07/2011...	Bank Of America		865,062	825,000.00	868,897	0	0	(1,430)	0	(1,430)	0	867,467	0	(2,405)	(2,405)	27,062	01/05/2021...	1FE...
06051G-EF-2...	Bank of America Corp 1.693% 01/30/14...		07/07/2011...	Bank Of America		1,132,045	1,130,000.00	1,130,000	0	0	0	0	0	0	1,130,000	0	2,045	2,045	8,583	01/30/2014...	1FE...
06051G-EH-8...	Bank of America Corp MTN 5.000% 05/13/...		07/07/2011...	Bank Of America		1,159,760	1,175,000.00	1,164,380	0	0	76	0	76	0	1,164,456	0	(4,696)	(4,696)	9,628	05/13/2021...	1FE...
06052D-AC-9...	Bank of America Auto Trust Series 2009-1...		09/15/2011...	Paydown...		188,861	188,861.00	193,080	190,545	0	(1,685)	0	(1,685)	0	188,861	0	0	0	3,360	02/15/2012...	1FE...
06052J-AC-6...	Bank of America Auto Trust Series 2010-1...		09/15/2011...	Paydown...		901,233	901,233.00	901,198	901,216	0	16	0	16	0	901,233	0	0	0	8,340	03/15/2014...	1FE...
06406H-BX-6...	Bank of New York Mellon MTN 2.300% 07/...		08/30/2011...	JP Morgan Secs...		2,303,870	2,280,000.00	2,278,062	0	0	30	0	30	0	2,278,092	0	25,778	25,778	4,258	07/28/2016...	1FE...
118230-AJ-0...	Buckeye Partners LP 4.875% 02/01/21...		09/07/2011...	Greenwich Capital Markets		1,283,672	1,220,000.00	1,215,364	0	0	279	0	279	0	1,215,643	0	68,029	68,029	39,485	02/01/2021...	2FE...
12668A-ZL-2...	Countrywide All Loan Trust Series 2005-6...		09/01/2011...	Paydown...		108,215	108,215.00	101,674	101,674	0	6,541	0	6,541	0	108,215	0	0	0	4,022	12/25/2035...	1Z*
14040H-AS-4...	Capital One Financial Corp 7.375% 05/2...		07/19/2011...	Various...		2,720,558	2,380,000.00	2,548,449	2,505,036	0	(18,538)	0	(18,538)	0	2,486,498	0	234,061	234,061	114,305	05/23/2014...	2FE...
201730-AB-7...	Greenwich Capital Commerical Series 2007...		09/01/2011...	Paydown...		23,612	23,612.00	24,329	24,057	0	(446)	0	(446)	0	23,612	0	0	0	780	07/10/2012...	1Z*
210371-AL-4...	Constellation Energy Group 5.150% 12/0...		08/04/2011...	Various...		1,584,746	1,505,000.00	1,504,097	1,504,097	0	13	0	13	0	1,504,110	0	80,636	80,636	48,048	12/01/2020...	2FE...
224044-BU-0...	Cox Communications Inc 9.375% 01/15/19...		09/19/2011...	Citigroup Global Markets		703,630	500,000.00	561,085	553,578	0	(3,637)	0	(3,637)	0	549,941	0	153,689	153,689	55,599	01/15/2019...	2FE...
23311R-AD-8...	DCP Midstream LLC Series 144A 5.350% 0...		09/07/2011...	Wells Fargo Bank		838,209	775,000.00	775,939	775,886	0	(53)	0	(53)	0	775,832	0	62,377	62,377	41,117	03/15/2020...	2FE...
341099-BZ-1...	Florida Power Corp 6.650% 07/15/11...		07/15/2011...	Various...		340,000	340,000.00	339,616	339,967	0	33	0	33	0	340,000	0	0	0	22,610	07/15/2011...	1FE...
37247D-AM-8...	Genworth Financial 7.700% 06/15/20...		07/29/2011...	Citigroup Global Markets		570,825	590,000.00	634,513	0	0	(1,795)	0	(1,795)	0	632,718	0	(61,893)	(61,893)	28,772	06/15/2020...	2FE...
37247D-AN-6...	Genworth Financial 7.200% 02/15/21...		07/29/2011...	JP Morgan Secs...		1,135,888	1,210,000.00	1,260,075	0	0	(1,950)	0	(1,950)	0	1,258,125	0	(122,238)	(122,238)	60,742	02/15/2021...	2FE...
38141G-GQ-1...	Goldman Sachs Group Inc 5.250% 07/27/2...		09/23/2011...	Goldman Sachs...		753,362	765,000.00	770,283	0	0	(20)	0	(20)	0	770,262	0	(16,901)	(16,901)	6,751	07/27/2021...	1FE...
428236-BL-6...	Hewlett-Packard Co 2.650% 06/01/16...		08/30/2011...	JP Morgan Secs...		81,849	80,000.00	79,966	0	0	2	0	2	0	79,968	0	1,881	1,881	542	06/01/2016...	1FE...
46625H-HQ-6...	JP Morgan Chase & Co 4.950% 03/25/20...		07/08/2011...	Credit Suisse First Boston		1,161,671	1,110,000.00	1,111,643	1,111,621	0	(62)	0	(62)	0	1,111,559	0	50,111	50,111	43,956	03/25/2020...	1FE...
46625H-HU-7...	JP Morgan Chase & Co 4.250% 10/15/20...		07/08/2011...	JP Morgan Secs...		467,486	470,000.00	448,554	0	0	452	0	452	0	449,006	0	18,480	18,480	14,537	10/15/2020...	1FE...
46625H-JA-9...	JPMorgan Chase & Co. 3.150% 07/05/16...		08/08/2011...	JP Morgan Secs...		1,244,382	1,250,000.00	1,254,813	0	0	(32)	0	(32)	0	1,254,780	0	(10,398)	(10,398)	4,546	07/05/2016...	1FE...
46630E-AG-5...	JP Morgan Chase Commerical Mor Seires 20...		07/13/2011...	Nomura Sec Intl Inc...		879,891	900,000.00	907,875	0	0	(654)	0	(654)	0	907,221	0	(27,331)	(27,331)	22,812	11/12/2016...	1FE...
46630G-AM-7...	JP Morgan Mortgage Trust Series 2007-A1...		09/01/2011...	Paydown...		48,552	48,552.00	47,469	47,684	0	868	0	868	0	48,552	0	0	0	915	07/25/2035...	1Z*
46630G-AR-6...	JP Morgan Mortgage Trust Series 2007-A1...		08/17/2011...	Brown Brothers Harriman & Co.		920,215	1,045,698.00	1,040,928	1,040,970	0	7	0	7	0	1,040,976	0	(120,762)	(120,762)	22,445	07/25/2035...	1Z*
46630G-AR-6...	JP Morgan Mortgage Trust Series 2007-A1...		08/01/2011...	Paydown...		37,590	37,590.00	37,419	37,420	0	170	0	170	0	37,590	0	0	0	691	07/25/2035...	1Z*
46634V-AA-6...	JP Morgan Chase Commercial Mtg Series 20...		08/17/2011...	JP Morgan Secs...		2,754,688	2,500,000.00	2,512,695	2,511,261	0	(1,835)	0	(1,835)	0	2,509,426	0	245,262	245,262	106,892	04/20/2017...	1FE...
491674-BD-8...	Kentucky Utilities Co Series 144A 3.25...		07/01/2011...	Tax Free Exchange		996,413	1,000,000.00	996,220	996,258	0	155	0	155	0	996,413	0	0	0	20,222	11/01/2020...	1FE...
494550-BG-0...	Kinder Morgan Energy Partners 3.500% 0...		09/12/2011...	Various...		1,004,116	971,000.00	977,296	0	0	(621)	0	(621)	0	976,675	0	27,440	27,440	17,949	03/01/2016...	2FE...
50180J-AD-7...	LB-UBS Comm Mortgage Trust Series 2007-C...		07/26/2011...	Morgan Stanley		4,743,738	4,425,000.00	4,723,283	1,528,052	0	(20,984)	0	(20,984)	0	4,699,256	0	44,482	44,482	125,026	03/15/2017...	1Z*



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										11	12	13	14	15							
CUSIP Identi- fication	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Desig- nation or Market Indicator (a)
52108R-AE-2	LB UBS Commercial Mortgage Series 2006-C		07/15/2011	Various		4,397,227	3,925,000.00	4,254,932	4,246,904	.0	(31,267)	.0	(31,267)	.0	4,215,637	.0	181,590	181,590	141,708	05/15/2016	1Z*
534187-AZ-2	Lincoln National Corp 4.300% 06/15/15		08/17/2011	UBS Securities LLC		290,031	270,000.00	271,618	271,462	.0	(191)	.0	(191)	.0	271,271	.0	18,761	18,761	7,837	06/15/2015	2FE
534187-BB-4	Lincoln National Corp 4.850% 06/24/21		07/08/2011	Deutsche Bank Securities		532,980	525,000.00	524,302	.0	.0	.3	.0	.3	.0	524,305	.0	8,675	8,675	1,344	06/24/2021	2FE
55907R-AA-6	Magellan Midstream Partn 4.250% 02/01/		09/07/2011	Cantor Fitzgerald		600,933	575,000.00	572,890	572,947	.0	114	.0	114	.0	573,062	.0	27,871	27,871	26,542	02/01/2021	2FE
59156R-AX-6	Metlife Inc 4.750% 02/08/21		07/07/2011	Wells Fargo Bank		962,302	935,000.00	934,766	934,775	.0	10	.0	10	.0	934,785	.0	27,517	27,517	41,452	02/08/2021	1FE
60688C-AE-6	Merill Lynch /Countrywide Comm Series 20		07/20/2011	Barclays Bank		3,270,768	3,050,000.00	3,256,352	.0	.0	(13,170)	.0	(13,170)	.0	3,243,181	.0	27,586	27,586	69,540	09/01/2017	1FE
61746W-MV-9	Morgan Stanley Dean Witter Cap Series 20		09/01/2011	Paydown		139,615	139,615.00	162,505	141,493	.0	(1,878)	.0	(1,878)	.0	139,615	.0	.0	.0	5,875	02/15/2012	1Z*
61747Y-CK-9	Morgan Stanley 4.200% 11/20/14		09/30/2011	Morgan Stanley		245,198	255,000.00	254,899	254,925	.0	14	.0	14	.0	254,939	.0	(9,741)	(9,741)	9,371	11/20/2014	1FE
61747Y-DC-6	Morgan Stanley 1.233% 04/29/13		09/30/2011	Morgan Stanley		5,417,682	5,725,000.00	5,725,000	.0	.0	.0	.0	.0	.0	5,725,000	.0	(307,318)	(307,318)	31,461	04/29/2013	1FE
61750W-AX-1	Morgan Stanley Capital Series 2006-1012		07/15/2011	Jeffries		2,701,069	2,480,000.00	2,571,838	2,565,431	.0	(9,319)	.0	(9,319)	.0	2,556,112	.0	144,957	144,957	84,115	11/15/2016	1Z*
61759N-AD-6	Morgan Stanley Reremic Trust Series 2010		09/21/2011	Paydown		132,336	132,336.00	128,449	128,743	.0	3,593	.0	3,593	.0	132,336	.0	.0	.0	2,297	06/21/2036	1Z*
61913P-AA-0	Mortgageit Trust Series 2004-1 Class A1		08/15/2011	Bank of NY/Mizuho Securities		193,310	232,118.00	122,071	124,018	.0	1,263	.0	1,263	.0	125,281	.0	68,029	68,029	1,447	11/25/2034	1Z*
61913P-AA-0	Mortgageit Trust Series 2004-1 Class A1		07/25/2011	Paydown		1,652	1,652.00	869	883	.0	769	.0	769	.0	1,652	.0	.0	.0	9	11/25/2034	1Z*
62875U-AJ-4	NBC Universal Inc Series 144A 2.875% 0		08/19/2011	Tax Free Exchange		3,998,122	4,000,000.00	3,997,800	3,997,887	.0	235	.0	235	.0	3,998,122	.0	.0	.0	100,625	04/01/2016	2FE
62951W-AY-6	Nomura Asset Acceptance Corp Series NAA		09/01/2011	Paydown		13,437	13,437.00	13,505	13,505	.0	(68)	.0	(68)	.0	13,437	.0	.0	.0	588	06/25/2034	2Z*
652478-AV-0	News America Holdings 9.500% 07/15/24		07/20/2011	Various		373,420	275,000.00	289,681	288,996	.0	(316)	.0	(316)	.0	288,681	.0	84,739	84,739	26,851	07/15/2024	2FE
652482-AX-8	News America Inc 7.625% 11/30/28		07/20/2011	Various		334,935	300,000.00	274,021	274,844	.0	352	.0	352	.0	275,196	.0	59,739	59,739	14,932	11/30/2028	2FE
65476A-AD-7	Nissan Auto Recievables Series 2009-A Cl		09/15/2011	Paydown		168,376	168,376.00	168,358	168,371	.0	.5	.0	.5	.0	168,376	.0	.0	.0	3,589	02/15/2013	1FE
744320-BL-8	Prudential Financial Inc Series MTN 3		07/19/2011	Various		2,085,737	1,975,000.00	1,972,156	1,972,662	.0	302	.0	302	.0	1,972,964	.0	112,772	112,772	78,175	01/14/2015	2FE
749121-CA-5	Qwest Communications Intl 8.000% 10/01		08/12/2011	National Financial Services		934,148	871,000.00	963,268	.0	.0	(6,509)	.0	(6,509)	.0	956,759	.0	(22,611)	(22,611)	26,324	10/01/2015	2FE
74930A-AA-5	RBSCF Trust Series 2010- RR4 Class CMLA		08/17/2011	Greenwich Capital Markets		2,742,852	2,450,000.00	2,604,047	2,597,908	.0	(12,839)	.0	(12,839)	.0	2,585,068	.0	157,783	157,783	108,319	08/16/2017	1FE
77340R-AH-0	Rockies Express Pipeline LLC Series 144A		09/22/2011	Merrill Lynch		319,848	325,000.00	322,208	.0	.0	452	.0	452	.0	322,661	.0	(2,812)	(2,812)	12,018	04/15/2015	2FE
78446J-AA-4	SLM Student Loan Trust Series 2011-2 Cla		09/26/2011	Paydown		56,780	56,780.00	56,670	.0	.0	110	.0	110	.0	56,780	.0	.0	.0	111	11/25/2027	1FE
80281U-AB-1	Santander Drive Auto Receivabl Series 20		09/15/2011	Paydown		228,943	228,943.00	228,938	228,938	.0	.5	.0	.5	.0	228,943	.0	.0	.0	1,601	07/15/2013	1FE
80705T-AA-4	Scholar Funding Trust Series 2011-A Cla		07/28/2011	Paydown		32,302	32,302.00	31,664	.0	.0	638	.0	638	.0	32,302	.0	.0	.0	127	10/28/2043	1FE
880451-AV-5	Tennessee Gas Pipeline Co 8.000% 02/01		09/08/2011	JP Morgan Secs		928,954	775,000.00	897,807	883,210	.0	(13,385)	.0	(13,385)	.0	869,824	.0	59,129	59,129	69,233	02/01/2016	2FE
88732J-AS-7	Time Warner Cable Inc 8.250% 04/01/19		09/08/2011	Various		5,274,349	4,125,000.00	4,993,108	4,946,128	.0	(56,667)	.0	(56,667)	.0	4,889,461	.0	384,888	384,888	323,297	04/01/2019	2FE
90783S-AA-0	Union Pacific Corp 4.698% 01/02/24		07/02/2011	Redemption	100.0000	6,245	6,245.00	6,245	6,245	.0	.0	.0	.0	.0	6,245	.0	.0	.0	293	01/02/2024	1FE
929766-C2-7	Wachovia Bank Comm Mtge Trust Series 200		09/01/2011	Paydown		50,327	50,327.00	50,575	50,324	.0	.3	.0	.3	.0	50,327	.0	.0	.0	1,685	05/15/2014	1Z*
939336-N6-6	Washington Mutual MSC Mtg Series 2003-MS		09/01/2011	Paydown		10,200	10,200.00	10,659	10,552	.0	(352)	.0	(352)	.0	10,200	.0	.0	.0	468	11/25/2030	1Z*
94981Q-AF-5	Wells Fargo Series 2005- AR16 Class 3A2		08/16/2011	Nomura Sec Intl Inc		265,484	296,630.00	288,565	288,896	.0	.55	.0	.55	.0	288,951	.0	(23,467)	(23,467)	5,940	10/25/2035	1Z*

## E05.8

## E05.8

950840-AR-1	1444	2	983%	05/	F	08/05/2011	JP Morgan Secs	1 132 008	1 135 000 00	1 135 000	0	0	0	0	0	0
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[illegible]

950840-AB-1	141A	2	983%	05/	E	08/05/2011	IP Morgan Secs	1	132	009	1	125	000	00
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Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

**STATEMENT AS OF SEPTEMBER 30, 2011 OF THE BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY**

## SCHEDULE E - PART 1 - CASH

[illegible]

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter							
1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
			NONE				
8699999 Total Cash Equivalents					0	0	0